
Canada Student Loans Program Early Repayment Study

Final Report

Prepared for:

Human Resources and Social Development Canada

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Introduction

The *2007 Canada Student Loans Program Early Repayment Study* was undertaken by Corporate Research Associates Inc. (CRA) on behalf of Human Resources and Social Development Canada (HRSDC). The aim of the study was to better understand, among other things, the major reasons for rapid loan repayment, as well as the extent to which rapid repayers themselves understand the costs and benefits of paying off their loan early. In addition, the study sought to obtain direction concerning what, if anything, needs to be communicated to these borrowers by the Canada Student Loans Program (CSLP). This information will be used to determine whether other possible lending approaches may be of interest to borrowers and yet be cost neutral to the Government of Canada.

The research study was conducted in two phases: an initial qualitative phase consisting of in-depth group interviews with rapid repayers, followed by a broader quantitative research phase. The qualitative phase of the study was exploratory in nature with the intent of assessing motivations and barriers to early loan repayments, as well as their attitude toward government debt and their knowledge of the benefits associated with holding a Canada Student Loan. Furthermore, findings from the qualitative research phase were used to direct the design of the survey instrument for the subsequent quantitative portion of the study. Qualitative interviews were conducted on December 13 and 14, 2006 with a total of 14 borrowers who had paid off their student loans early (i.e., prior to the term agreed upon in their contract), and included a mix of participants based on their gender, employment status, income level, loan size and marital status.

The quantitative portion of the study consisted of 1,203 telephone interviews with Canada Student Loan (CSL) borrowers across Canada who had paid their loan back early, (i.e., prior to the term agreed upon in their contract). The survey was administered from February 9 to March 15, 2007 in all participating Canada Student Loan jurisdictions, which includes all provinces and territories with the exception of Quebec, Nunavut, and the Northwest Territories (which do not participate in the CSLP). The sample utilized for the study was drawn randomly from a database including all rapid repayers for the loan years 2002 through 2006 inclusive (i.e., August 1, 2002 through July 31, 2006). The interview required approximately 23 minutes to complete, and the response rate was 17 percent.¹ A complete description of the study methodology, including a disposition of all telephone numbers dialed, can be found at the end of this report.

The dataset of completed interviews closely mirrored the overall population of rapid repayers on several key demographic dimensions, lending confidence in the representativeness of the dataset.

¹ Although the response rate may seem low, two things should be kept in mind. First, a presentation by the Marketing Research and Intelligence Agency (MRIA) Response Rate Committee at the recent national conference in Calgary in 2006 suggested that studies with low (single-digit) response rates do not necessarily produce non-representative data. In that presentation, a study with a response rate of 9% was shown to yield no meaningful differences when compared to a similar study designed to achieve a much higher response rate (31%). Second, the 17% response rate obtained in this study is slightly *higher* than the national average response rate for general population surveys (13%) as reported by the MRIA in October 2003.



Of note, a random sample of 1,203 interviews would be expected to produce a margin of error for the overall study of ± 2.3 percentage points, 19 times out of 20.

In terms of the structure of this report, immediately following this Introduction is an Executive Summary, along with Key Conclusions drawn from the Detailed Analysis. The Detailed Analysis consists of a comprehensive analysis of the research findings. Appendix A contains a copy of the study questionnaire, and Appendix B contains the tabular results of the data collected. The tabular results are noted by number (e.g., Table 7) in the report for easy reference. This reference indicates more elaborate statistical information regarding a survey question is available by referring to the appropriate table number in the Tabular Results section of the report. Finally, Appendix C contains a copy of the preliminary report concerning initial qualitative research conducted with rapid repayers, the results of which were utilized in the subsequent design of the quantitative research instrument.



Executive Summary

Results from the *2007 Canada Student Loans Program Early Repayment Study* indicate that most rapid repayers are satisfied with the CSLP experience, including the service provided by CSL officials. Of importance, Canada Student Loans are perceived as a key contributor to post-secondary education, and a readily available source of funding that allows students to continue their education without the burden of having to work while they are in school.

In the eyes of rapid repayers, the primary disadvantage of having a CSL is the high interest rate. Similarly, avoiding the interest charged by the CSLP is found to be the primary factor driving early repayment, and the reason many borrowers convert their Canada Student Loan into a bank loan. Lowering the CSL interest rate is consistently mentioned as the best way of improving the CSLP, and a small minority of rapid repayers say they would not have converted their student loan into a bank loan had the rate offered by the CSLP been more competitive. Nevertheless, it should be underscored that the gap between the commercial interest rate and the CSLP rate, while important in principle, is not the primary motivation for early repayment. Indeed, relatively few rapid repayers put forth efforts in search of lower interest rates elsewhere, with the majority unaware of how the CSLP interest rate at the time of repayment compared with that available in the financial marketplace.

A segmentation analysis reveals four main types of early repayers: those who pay early to avoid the interest, those who pay early because they are able to do so, those who pay early because they do not like debt, and those who pay early because they have assistance from someone else.

Rapid repayers are most likely to draw upon personal savings and earnings when repaying their loan, with assistance from family members ranking second in terms of importance. Results reveal that most borrowers who repay rapidly find employment within six months after completing their studies, the majority of these in jobs directly related to their primary field of study. With respect to assistance, close to one-half indicate receiving financial assistance from family and friends in their final year of loan repayment, with a similar number having access to free or low-priced accommodations.

With respect to debt load, most rapid repayers carry no more than \$20,000 in non-education related debt, with the average estimated to be \$8,000. As for education related debt, many rapid repayers have loans in addition to their CSL, with the total amount of all education loans typically totaling up to \$30,000 (average estimated to be \$20,000). Faced with these debts, many rapid repayers move away from their location of study in search of better employment prospects, and this is true regardless of loan amount. Of note, while the primary reason for moving is to find better employment prospects, this is also the main reason for not moving (although staying is also strongly driven by ties to the community). Also, two in ten borrowers who repaid early say they would have made a different decision of where to settle if they did not have a student loan.

Finally, there appears to be room for improvement in terms of educating borrowers about the characteristics and benefits of a CSL. Such an information strategy could result in a small but



noticeable impact on borrowers' decision concerning early repayment. Although most rapid repayers would likely repay early regardless of this knowledge, it is estimated that approximately 15 percent of the rapid repayer population would not repay their loan early if they are aware of the tax credit or Interest Relief option and the impact of early repayment on these benefits.

To obtain more information on this study, please e-mail por-rop@hrsdc.rhdcc.gc.ca

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Conclusions

The following conclusions are drawn from a detailed analysis of the results reported in this study.

Canada Student Loans provide an important vehicle for achieving a post-secondary education, with the main drawback being a high interest rate.

The majority of rapid repayers believe obtaining a Canada Student Loan is a key contributor to post-secondary education. This belief is driven by the fact that a CSL provides a readily available source of funding allowing them to continue their education without the burden of having to work while they are in school. On the flip side, the biggest concern among rapid repayers is the high interest rate and the difficulty in paying the loan back.

Rapid repayers who move away from their location of study tend to be in search of better employment prospects, and this is true regardless of loan amount.

Nearly four in ten rapid repayers move more than 50 km away from the location of their post-secondary education within six months upon completion of their studies. Close to two in ten move out of the province after their education. The primary reason for moving is to find better employment prospects. Interestingly, the primary reason for not moving is also because of better job prospects (where they are currently located), although this is closely rivaled by reasons reflecting ties to and enjoyment of the community. Although student loan amount is related to the likelihood of moving (those with larger loan amounts are more inclined to move after study), the reason for moving is not tied to loan amount. Finally, two in ten borrowers who repaid early say they would have made a different decision of where to settle if they did not have a student loan.

While few rapid repayers like debt, having to pay the interest on the debt is the main driver of early repayment.

Not surprisingly, virtually all rapid repayers say they do not like having debt or owing money to the government. However, when asked why they repaid their student loan early, a variety of reasons are given. Repayment reasons can be divided into four main themes, with the most common reason being to avoid the interest charged by the CSLP. Other main reasons for repaying early include a psychological aversion to debt, assistance from others, or simply paying of the loan because they had the ability to do so (e.g., the loan was small). These motivators were employed as the primary basis for a segmentation analysis, which produced four rapid repayment segments.

Those who pay off their student loan early are most likely to draw upon personal savings and earnings when repaying their loan.

The primary financial resource drawn upon by those paying off their student loan early is personal savings and earnings. More than two-thirds of rapid repayers list personal savings and earnings as the most important source, well ahead of assistance from family members, which ranks second.



To this end, the employment situation for rapid repayers appears favourable. Five out of six rapid repayers find employment within six months after completing their studies, the majority of these in jobs directly related to their primary field of study. Personal income within their last year of repayment is typically between \$10,000 and \$40,000, with an estimated average of approximately \$30,000. With respect to assistance from others, close to one-half indicate receiving financial assistance from family and friends in their final year of loan repayment, with the amount estimated to be slightly more than \$2,500. Of note, four in ten also report having access to free or low-priced accommodations during their final year of CSL repayment.

A minority of rapid repayers convert or combine their student loans in bank loans, primarily to achieve a lower interest rate.

Three in ten rapid repayers convert all or part of their CSL into a bank loan. Similarly, close to two in ten combine their student loan debt with other debts. In total, roughly one-third of rapid repayers either convert their student loan to a bank loan or combine it with other personal debts. Rapid repayers cite the better interest rates available as the chief motivation for converting their student loan into a bank loan, with the simplification offered by having one debt being of secondary importance. Rapid repayers who convert their CSL into a bank loan also emphasize the importance of face-to-face meetings with bank representatives when asked directly about this issue.

Although interest rates appear to have an impact on their repayment behaviour, most rapid repayers do not expend a great deal of effort in looking for lower interest rates.

Despite the purported disadvantage of the high interest rate offered by the CSLP and the prominence of debt conversion, only a minority of rapid repayers appear to be knowledgeable about the financial marketplace. Indeed, only two in ten made a substantial effort to explore lower interest rates at other institutions, with fully four in ten indicating they made no efforts at all in this regard. Similarly, over one-third of CSL borrowers who repaid early are unable to recall the prevailing interest rate available to them from other institutions at the time they began their repayment, with a similar number indicating the rate available to them was the same or higher than that offered by the CSLP. Still, for those who did make a great deal of effort to search for lower available interest rates, many were able to find lower rates (and converted their CSL into a bank loan). Among those who report the availability of a lower interest rate than the CSLP, the average rate difference was approximately 2.7 points.

Importantly, over one-half of those who converted or combined their student loan into a bank loan would not have done so if the interest rate offered by the CSLP were on par with that available from financial institutions. In a similar vein, given the choice between a 1.5 point reduction in the interest rate, a tax credit on interest paid, or a form of free insurance for payments, it is apparent that rapid repayers would prefer the reduction in interest (assuming they had a loan at prime plus 2.5 percentage points).



The gap between the commercial interest rate and that of the CSLP is not, in itself, the primary driver to repay the loan early.

As noted earlier, the primary disadvantage of a CSL is the high interest rate, and the most common reason for repaying the loan early is to save money by avoiding the interest charges. However, there is a subtle but important distinction to be made between avoiding interest charges in general and avoiding the interest rate charged by the CSLP. There are two primary options for avoiding interest charges: to pay off the loan in its entirety (thereby avoiding all future interest charges), or to convert or combine the CSL into a bank loan (thereby paying less interest). Results suggest that avoiding interest altogether (regardless of the CSLP interest rate) is the primary driver of early repayment, with the gap between the CSLP rate and the commercial rate being of secondary consideration. For example, relatively few rapid repayers made efforts to research the possibility of lower rates. Indeed, the majority of rapid repayers were either unaware of the commercial interest rates or thought the rate charged by other financial institutions was on par or higher than that available from the CSLP. Thus, lowering the interest rate charged by the CSLP, while no doubt viewed positively among rapid repayers in principle, should not be overstated in terms of its impact on repayment behaviour.

There is room for improvement in terms of educating borrowers about the characteristics and benefits of a CSL, and such information would result in a small but noticeable impact on borrowers' decision to repay the loan early.

While few borrowers are very familiar with the characteristics of their Canada Student Loan when they first take out the loan, familiarity with the specifics of their student loan increases substantially by the time borrowers start making payments on the loan. Still, there is a significant portion of rapid repayers who are unaware of CSL benefits, such as the tax credit on interest paid and the Interest Relief option. Even among those who are aware of these benefits, many do not know that these benefits are negated by early repayment of the loan. Finally, while most rapid repayers say they would have repaid early regardless, it is estimated that approximately 15 percent of the rapid repayer population would not have paid the loan off early had they known about the tax credit or Interest Relief option and the impact of early repayment on these benefits.

Rapid repayers incur education loans averaging close to \$20,000, and carry over \$8,000 in non-education related debt.

Results indicate that rapid repayers place the greatest emphasis on credit card debt, which appears to be in contrast to loan defaulters. Both groups of borrowers are most likely to hold credit card debt, as well as personal loans, with car loans, mortgages and other non-education related private debt being less common. Among the entire population of rapid repayers, most carry no more than \$20,000 in non-education related debt, with the average estimated to be approximately \$8,000. As for education related debt, roughly one-half of rapid repayers have loans in addition to their CSL, with the total amount of all education loans typically totaling \$30,000 or less (average estimated to be \$20,000).



Although generally satisfied with the CSLP and the service it provides, those who repay early are somewhat more critical of the flexibility afforded to students by the Program.

For the most part, rapid repayers express a low level of dissatisfaction with most facets of the CSLP and the repayment process. This is especially true regarding the CSLP overall (which receives an average rating of 7.2 out of 10), and the repayment process itself (which receives an average rating of 6.7 out of 10). Borrowers who repaid early are less likely to agree that the CSLP is flexible in meeting the needs of students (average rating of 6.2 out of 10) and that the CSLP promotes quick repayment of student loans (average rating of 5.6 out of 10). The service provided by CSL officials is also viewed favourably by most, with poor communication the primary reason for any dissatisfaction. Finally, lower interest rates and a completely interest free grace period are considered to be the preferred suggestions for improving the CSLP.



Detailed Analysis

In most instances, the results in this report represent the *overall* percentage of rapid repayers surveyed. Graphic illustrations are provided to visually display the percentage results across the various survey questions. In certain cases, where the question was only asked to a subgroup of the sample, the subgroup is identified along with the sample size for the subgroup.

Survey results are broken down by several important attitudinal, behavioural and statistical variables including:

Variables provided by HRSDC

- Institution type
- Age
- Total loan amount
- Region (based on province of residence)

Variables obtained from survey

- Satisfaction with CSLP (from question 6, ratings of 8-10 defined as “satisfied”)
- Those who combined/converted their CSL into another loan (from q17 and q20)
- Gender
- Family situation (from question 49)
- Income in last year of repayment (from question 51a)

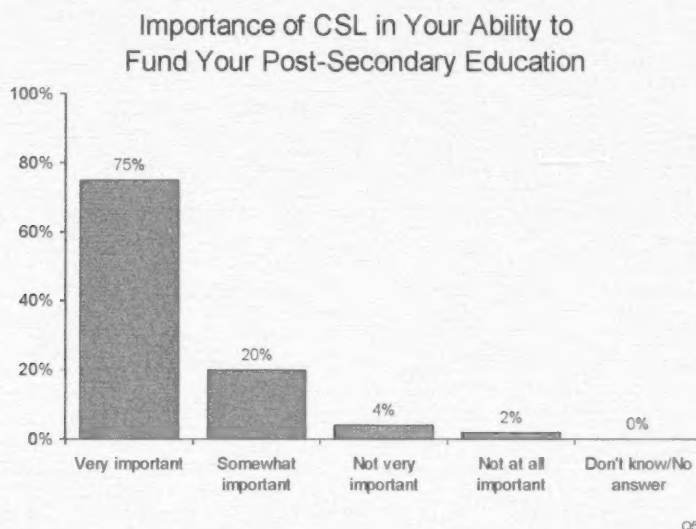
Results across each of these variables are presented in detail in the Tabular Results section (i.e., Appendix B). Due to the limited number of respondents in some of the aforementioned categories (especially with respect to questions based on subsamples), caution should be exercised when interpreting differences among respondents in these subgroups.



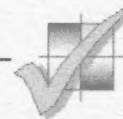
Relevance of CSL to Education

Canada Student Loans provide an important vehicle for achieving a post-secondary education, with the main drawback being a high interest rate.

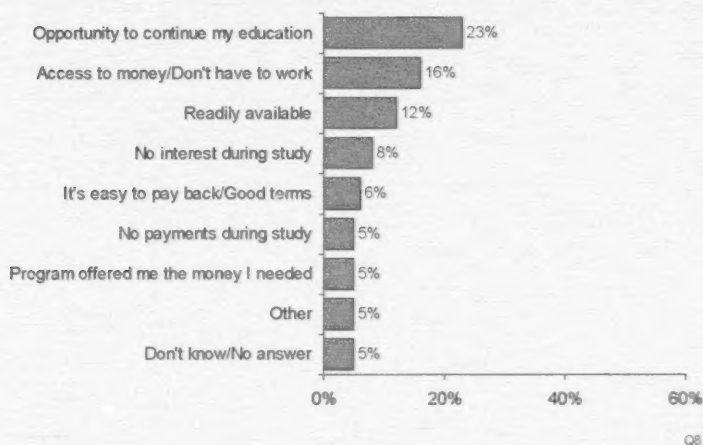
Results suggest that obtaining a Canada Student Loan was a key contributor to the funding of borrowers' post-secondary education. The vast majority of rapid repayers indicate that their CSL was very or somewhat important to their post-secondary education funding, while relatively few say it was not very or not at all important. All population subgroups place a high degree of importance on their Canada Student Loan, although there are differences across the population. In particular, the percentage of rapid repayers saying their CSL was very important was higher among parents, older borrowers, those with larger loan amounts, and those satisfied with the CSLP in general (Table 5).



When asked about the primary advantage of having a Canada Student Loan, rapid repayers offer a variety of reasons. The most common responses go beyond the specifics of the CSL itself, focusing on the notion that the CSL afforded them the opportunity to continue their education (23%), without having to work while they were in school (16%). It is also noted that the CSL was a readily available (12%), and in some cases the only available (5%), choice for education funding. Specific benefits of the CSL itself, such as the fact that there were no payments (5%) or interest accrual (8%) during study, and a six-month grace period after study (2%) are somewhat less commonly cited advantages. Finally, relatively few borrowers who repaid early say there were no advantages to a Canada Student Loan (2%). Perceived advantages of a CSL are fairly consistent across the key population subgroups, with only a few differences. Specifically, those with a lower income in the final year of repayment are more inclined to mention the fact that the loan provided access to money for school, while those with higher income are more inclined to mention the fact that their loan did not accrue interest during study (Table 8).

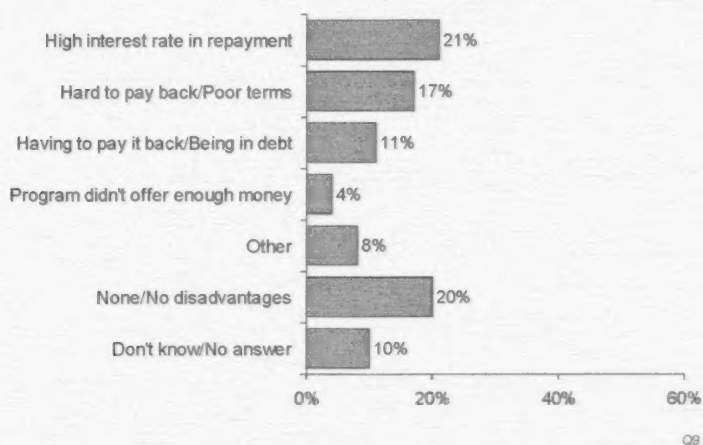


Primary Advantage of Having a Canada Student Loan as a Source of Funding



With respect to disadvantages of having a Canada Student Loan, it is clear that issues with repayment are considered to be the chief drawbacks. Indeed, the three most commonly mentioned disadvantages include the high interest rate associated with repayment (21%), general difficulty in paying it back because of poor terms (17%), and having to repay the loan at all (11%). No other single disadvantage is mentioned by more than four percent of those surveyed. In addition, one in five rapid repayers believe there are no disadvantages to having a CSL. Across the population subgroups, there is little variation in perceived disadvantages of having a CSL, although it should be noted that those less satisfied with the CSLP overall are more likely than others to mention the high interest rate associated with repayment (Table 9).

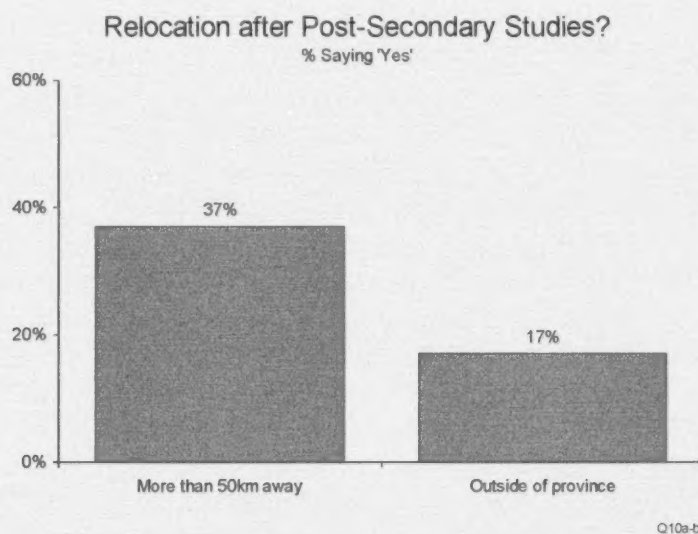
Primary Disadvantage of Having a Canada Student Loan as a Source of Funding



Location After Education

Rapid repayers who move away from their location of study tend to be in search of better employment prospects, and this is true regardless of loan amount.

This section of the report examines the relationship between having a student loan and borrowers' decision on where to locate. Results reveal that, within six months after completing their post-secondary studies, nearly four in ten rapid repayers moved more than 50 km away from where they lived while in school. Moreover, nearly two in ten rapid repayers moved outside of the province after they finished their post-secondary studies (Tables 10a, 10b).

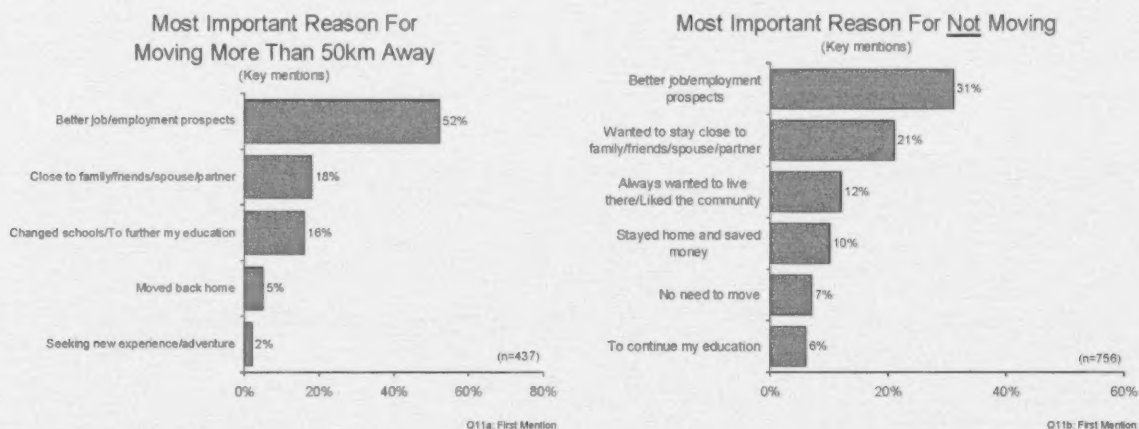


Across the population, there is substantial variation in relocation behaviour. Specifically, those most likely to have moved more than 50 km within the first six months after finishing their education include those with higher income, those residing in Atlantic Canada, those aged 24 to 27, those who attended university, and those with a total loan amount exceeding \$8,000. In contrast, borrower's residing in the BC region, parents, and those 28 years of age and older are less likely to have moved more than 50 km away. Similarly, those most likely to have moved outside the province upon completion of their studies include those residing in Atlantic Canada, those making more than \$40,000 in their final year of repayment, borrowers who were married with no children, those aged 24 to 27, those attended university, and those with a total loan amount of more than \$8,000.

It is worth reiterating that those with higher income and those with a higher total loan amount were more likely than others to relocate (both 51+ km away and out of province) after they finished their studies.



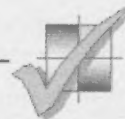
Among those who moved more than 50 km away within six months after finishing school (n=437), by far the single most important reason given for relocating is because there were better employment prospects in the new location. Of lesser importance in this respect is to be close to family and friends (including moving back home) or to continue their education. Interestingly, among those who did not move within the first six months after finishing their studies (n=745), their most important reason for remaining in the same location also revolves around better employment prospects. However, the prospect of employment is cited much more frequently as a reason for moving, as opposed to staying. In addition, those who stayed in the same location after finishing their education also mention other reasons such as remaining close to family and friends (including staying at home for the purpose of saving money), enjoying the community in which they were living, and having no impetus for moving (Tables 11a, 11b).



Of note, income during final year of payment is strongly tied to the reason for moving. That is, those who earned a personal income of more than \$40,000 were far more inclined to say they moved more than 50 km away because of a job prospect, whereas those with a personal income of \$20,000 or less were more inclined to say they moved to be closer to family and friends or to continue their education. No such difference was found for loan amount, meaning those with larger loans primarily moved for improved job prospects, just as people with smaller loan amounts.

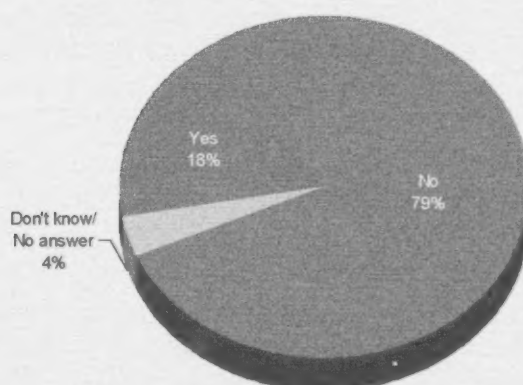
Reasons for staying in the same location after finishing school are much more consistent across the population. It is still the case, however, that those with higher income during their final year of repayment (more than \$40,000) tended to stay because of the employment prospects, whereas those with lower income (\$20,000 or less) stayed for other reasons, especially to remain close to home and family.

When asked directly whether or not having to repay a student loan had an impact on where they would settle, rapid repayers typically say that it did not. One in five borrowers who repaid their CSL early say they would have made a different decision about where to settle if they did not have a student loan to pay back, while four in five say their decision would have been the same. Notably, total loan amount does not appear to be a factor in their decision of where to settle, as those with a small loan amount are as likely as those with a larger loan amount to say their



decision of where to settle would have been the same if they did not have a student loan to repay. Those most likely to say they would have made a different decision about where to settle if they did not have a student loan to repay include those who are less satisfied with the CSLP overall, and those who combined/converted their loan into a bank loan. Further analysis indicates that those who moved more than 50 km away from where they completed their studies are also more inclined to have made a different decision about where to settle if they had not had a student loan to repay (Table 12).

If You Did Not Have Student Loan to Repay,
Would You Have Settled in a Different Location?



Q12

The conclusions to be drawn from this particular set of results are as follows. Most rapid repayers move upon finishing their studies so they can find a better job. Those who stay in the same place after they finish their studies tend to do so to be close to family and the community, but at a somewhat lower income. Thus, those with a larger total loan amount tend to be more likely to move than to stay.

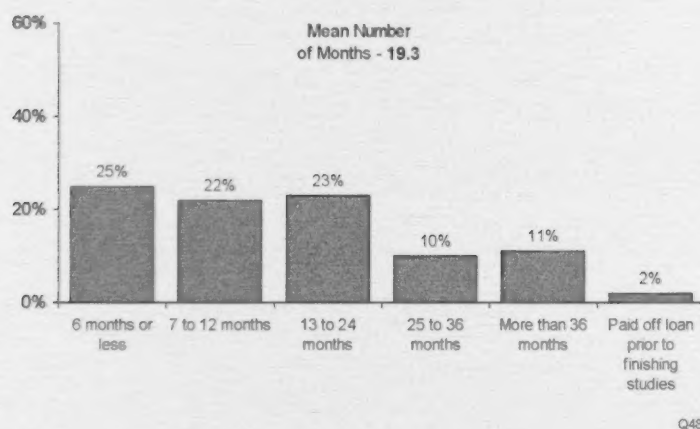
Motivators for Early Repayment

While few rapid repayers like debt, having to pay the interest on the debt is the main driver of early repayment.

Results indicate that nearly three-quarters of rapid repayers completely pay off their student loan within 24 months after completing the studies for which they had the loan. Indeed, the average length of time to completely repay the loan among the rapid repayers interviewed was 19 months. This is well ahead of 120 month repayment term typical of the CSLP. Of interest, rapid repayers who are younger, those with an income of \$20,000 or less, and those residing in the BC region report the shortest repayment times (Table 48).



Time Between Finishing Studies and Paying Off CSL



One of the primary objectives of the current study was to ascertain the motivations behind early repayment. When asked such a question in an open-ended fashion, borrowers who repaid their loan early offered responses falling into one of four general themes (Table 13). These themes were utilized as the basis of a segmentation that will be reported on in a separate section of the report. The following motivations for early repayment include:

To save money. By far the most common response to the question of why they repaid early is because they do not like having to pay interest on the debt. Other financial motivations include the interest rate, such as repaying early by combining the CSL into a personal loan at a lower interest rate, or repaying early because of the high interest rate in general. Finally, consolidating CSL debt together with another loan is another financial consideration rapid repayers mention. Nearly one-half of rapid repayers offer one of these “financial” motivations.

Was able to pay. Another common theme for repaying the loan early revolves around the ability to pay back the loan, either because they could afford to do so, the loan was small, or because they had a windfall or extra money. Roughly, one in five borrowers repaid early because they were able to do so.

Have an aversion to debt. Nearly one in seven rapid repayers say that, psychologically, they do not like having debt and that is the primary reason they paid their loan off early.

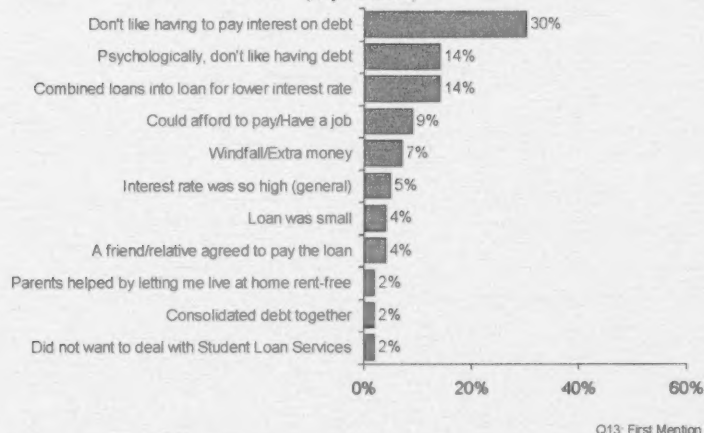
Was assisted by others. Nearly one in ten borrowers say they were able to repay their loan ahead of schedule because of outside assistance, most likely a friend or relative who paid the loan off for them. Other forms of assistance include living at home rent-free or getting a grant or bursary to pay off the loan.



No other single reason was mentioned by more than two percent of rapid repayers, although it should be noted that there were a few who repaid because they did not want to deal with Student Loan Services (2%).

Primary Reason Student Loan Was Paid Off in a Shorter Period Than Was Required

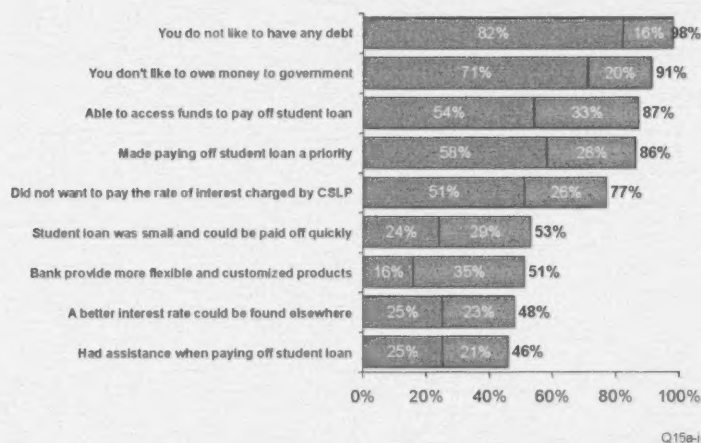
(Key mentions)



Although the top of mind motivation behind early repayment is interesting, borrowers' opinions were also sought on a variety of potential factors that may have had an impact on their rapid repayment. Rated on a ten-point agreement scale, these factors included statements related to debt aversion, knowledge of the financial marketplace, and borrowers' debt load and loan situation. The following graph shows the level of agreement with each particular statement (Tables 15a-i).

Assessment of Repayment Factors

% 'Completely/Mostly Agree'



Perhaps not surprisingly, there is very strong agreement with statements regarding debt aversion. More than nine in ten rapid repayers agree that they **do not like to have any debt**, and that they **do not like to owe money to government**, with the majority *completely* agreeing with these statements. Across the population, there is little difference in agreement with these statements.

Regarding **ability to access funds** and **priority of the student loan**, borrowers who repaid early also report very high levels of agreement with these statements. Given the population under investigation in this study (i.e., borrowers who paid off their loan earlier than required), the high level of agreement with these statements makes sense. Again, all key population segments express strong agreement with these statements, although it should be noted that those with a larger loan amount are less inclined than others to agree they were able to obtain access to enough funds to pay off their student loans. Notably, about one-half of rapid repayers agree their **loan was small and could be paid off quickly**, while fewer than one-half indicate that they **had some form of assistance when paying off their student loan**. Of course, those with a small total loan amount express stronger agreement with the former statement, as do those who did not combine or convert their loan. With respect to assistance, those most likely to have received assistance in paying off their loan include females and those with a lower personal income in their final year of repayment.

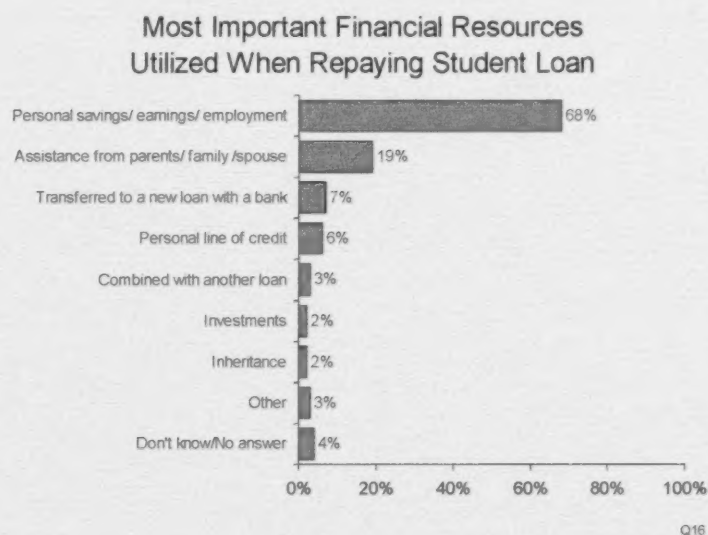
In terms of the rates and products that could be obtained elsewhere, it is clear that borrowers **did not want to pay the rate of interest charged by Canada Student Loans**, as nearly eight in ten express agreement with this statement. Nevertheless, only about one-half of rapid repayers believe that **banks and credit unions provide more flexible and customized products** and that **better interest rates could be found at institutions outside of the CSLP**. Agreement with statements concerning interest rates and products available elsewhere is related to loan amount and actions taken regarding the loan. More specifically, borrowers with a total loan amount of more than \$8,000, as well as those who combined/converted their CSL into a bank loan, are more likely than others to *completely* agree with all three of these statements. In addition, those less satisfied with the CSLP overall are more likely to say they did not want to pay the rate of interest charged by the Canada Student Loans Program.



Financial Resources

Those who pay off their student loan early are most likely to draw upon personal savings and earnings when repaying their loan.

Results indicate that most common financial resource drawn upon by those paying their student loan early was, by far, personal savings or earnings. Over two-thirds of rapid repayers report personal savings as the most important source, well ahead of assistance from family members, which ranks second. No other single resource is mentioned by more than seven percent of rapid repayers. Although all key subgroups of the population list personal savings as the most important financial resource, those with an income of more than \$40,000 and those who did not combine/convert their loan are especially likely to have drawn upon this resource. In contrast, those with an income of \$20,000 or less are more likely than others to cite assistance from family members as the primary financial resource. Finally, parents are more likely than others to utilize other loans and lines of credit when paying off their student loan (Table 16).



In addition to the open-ended question about the most important financial resource, rapid repayers were also queried as to whether or not specific financial resources were used when paying off their student loan. Consistent with the open-ended question, the most frequently cited financial sources used when paying off the student are savings or income earned from a full- or part-time job, each mentioned by well over one-half of rapid repayers. **Finding a job that allowed the rapid repayment of the loan** was more common among those with a higher income and those with a smaller total loan amount, and less common among older rapid repayers, parents, those who combined/converted their loan, and those who attended a private institution. **Working part-time during their studies to repay the loan** was more common among rapid repayers who are younger, single with no children, those with smaller total loan amounts, and those residing in the regions of Ontario or BC. Those who attended private institutions, parents, and those with an income of



more than \$40,000 are less likely to have worked part-time during their studies. **Using money saved over time to assist in loan repayment** was more common among those who did not combine/convert their loan into a bank loan, those who are younger, males, and those who are single with no children (Tables 22a, 22b, 22j)

Financial Sources Used in Paying Off CSL % Saying 'Yes'	
Factor	%
Found a job that allowed you to pay off student loan quickly	71
Saved money over time and used to pay off student loan	61
Worked part-time during studies to pay debts as early as possible	55
Parents/Guardians/Spouse/Partner helped you out financially	46
Parents/Guardians/Spouse/Partner gave access to a vehicle	32
Took out a personal line of credit	19
Received an unexpected sum of money, from a source other than parents/guardians	16
Parents/Guardians paid off the student loan	10
Spouse/Partner paid off student loan or transferred to their bank account	7
Parents/Guardians transferred the loan to their bank account	5

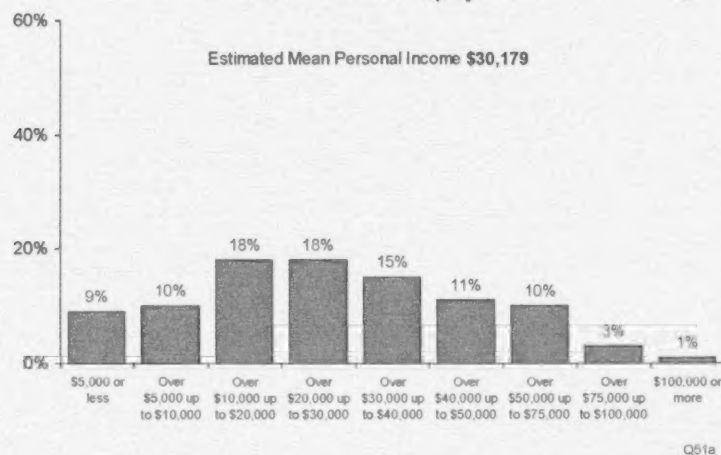
Assistance from family members, especially in the form of financial assistance or access to a vehicle, is also commonly used by rapid repayers. Note, however, relatively few (one in ten or fewer) rapid repayers indicate their family members either paid off or transferred the loan for them. More specifically, **financial help from parents or other family members** is drawn upon by nearly one-half of rapid repayers, and is especially common among those with an income of \$20,000 or less and those who are married with no children. **Access to a vehicle provided by parents or other family members** is listed by one-third of rapid repayers, and is more common among younger rapid repayers, those with an income of \$20,000 or less, those who are single with no children, and those who attended university. As for the other, less common, sources of assistance from family members, those who attended private institutions and those with an income of \$20,000 or less are more likely than others to report their **parents or guardians paid the loan off for them**. Also, parents are more likely than others to say that their **spouse or partner paid off or transferred the loan to their bank account**. Very few borrowers who repaid early say their **parents or guardians transferred the loan to their bank account**, and these results are consistent across the population. (Tables 22c-g)

Finally, close to two in ten rapid repayers report relying on a personal line of credit in repaying their student loan, while a similar number say they received an unexpected sum of money that was used to assist in paying off the loan. **Usage of a personal line of credit to pay off the student loan** is highest among older rapid repayers, parents, and those residing in the Atlantic region. Perhaps not surprisingly, receipt of an **unexpected sum of money that was used to pay off the loan** did not vary across the key population subgroups. (Tables 22h, 22i)



Rapid repayers report personal income and savings to be the chief financial resources drawn upon for repayment of their CSL. Results indicate that most rapid repayers report a personal income, before taxes, of between \$10,000 and \$40,000 in their last year of student loan repayment. Close to one-quarter of those who repaid their loan early report an income of more than \$40,000, while one in five says their income during their final year of loan repayment was no more than \$10,000. Not surprisingly, income is strongly tied to age, family situation and institution type. Personal income is substantially lower among rapid repayers aged 17 to 23 compared with those aged 24 or older. Those who are married and without children report a much higher income than others, as do those who attended university. It should be noted that these figures do not include financial assistance provided by parents or others (Table 51a).

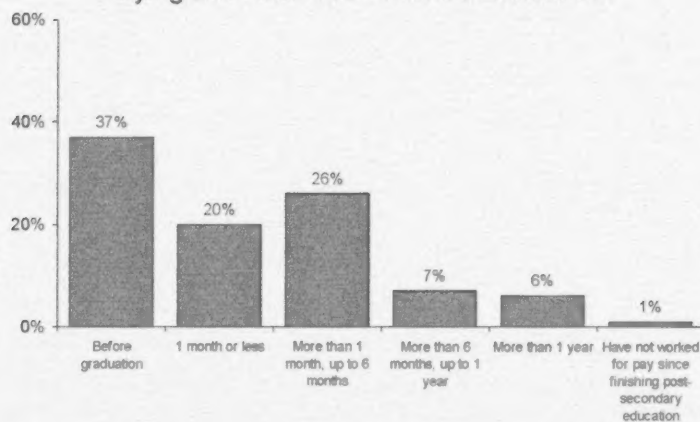
Total Personal Income, Before Taxes, in Your Last Year
of Student Loan Repayment



As might be expected, the employment situation for rapid repayers is favourable, with most being employed at the time they paid off their loan. Results show that 66 percent of rapid repayers were working full-time when they paid off their loan, while an additional 20 percent were working either part-time (16%) or were self-employed (4%). A small percentage of those who repaid early were working at a temp agency (1%) or at a seasonal job (4%), but only seven percent indicate they were not working at all. Jobs were found relatively quickly after finishing school, with close to six in ten rapid repayers employed in a paying job within one month after completion of their studies and an additional one-quarter employed within six months after (Tables 52, 54).



How Long Did It Take You to Find a Paying Job After You Finished Education?

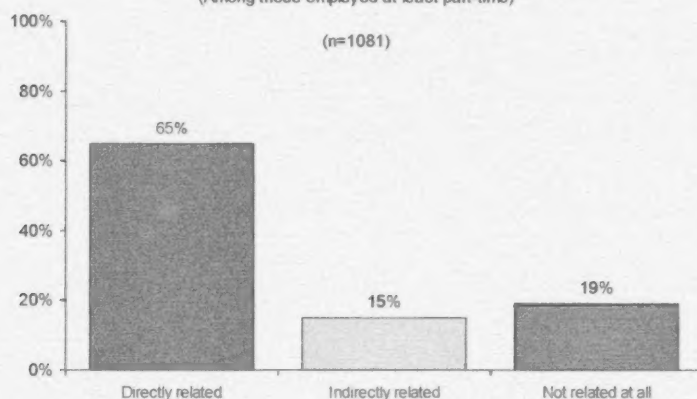


Q54

Of interest, a large majority of rapid repayers employed during their final year of loan repayment say their current employment is either directly or indirectly related to their primary field of study. This is especially true among those who attended university, those with an income of more than \$40,000 and those over 23 years of age. Moreover, those employed in jobs directly or indirectly related to their primary field of study typically found those jobs within 6 months after completing their studies. One in ten rapid repayers did, however, take more than one year to find a job related to their field of study (Tables 53, 55).

Relationship of Current Employment to Post-Secondary Primary Field of Study

(Among those employed at least part-time)



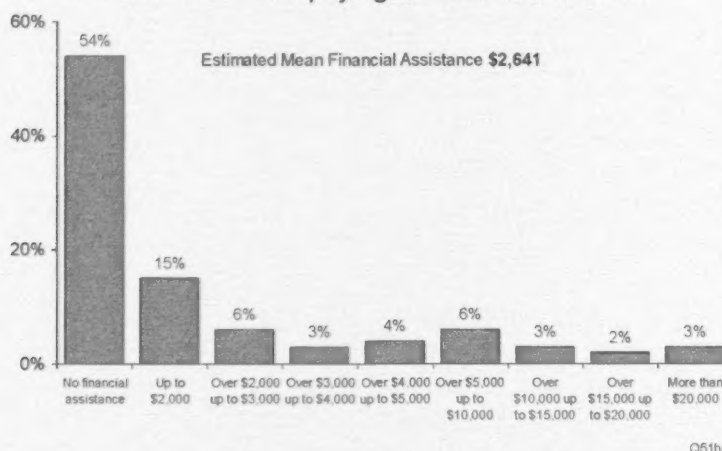
Q53

With respect to financial assistance provided by parents, family, spouses and others in the last year of loan repayment, nearly one-half of rapid repayers admit that they were provided with such



financial assistance. Roughly three in ten rapid repayers say they received as much as \$5,000 in assistance during their final year of loan repayment, while an additional 10 percent received amounts up to \$20,000. Very few (3%) received amounts in excess of \$20,000. Taking into consideration all rapid repayers, it is estimated that the average amount of financial assistance received from family and others in the final year of loan repayment was approximately \$2,600. Those most likely to receive financial assistance from friends and family members include those under the age of 24 and those with an income of less than \$20,000.

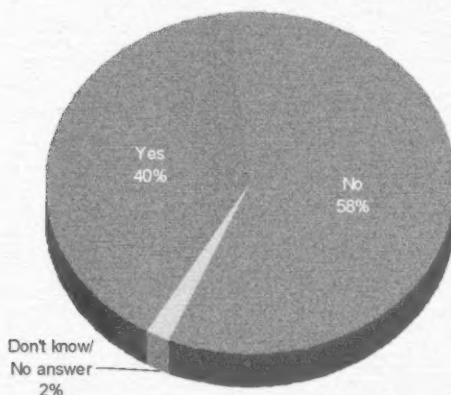
Approximate Amount of Financial Assistance Received in
Last Year of Repaying Your Student Loan



When asked specifically about whether they had access to free or low-priced accommodations at the time they were paying off their student loan, four in ten rapid repayers indicate that they did have access to such accommodations. Results on this topic vary quite strongly across the key population subgroups. Specifically, access to low-priced accommodations is more common among those residing in Ontario, those attending university, those who did not combine/convert their student loan, those who are single with no children, those who are younger, those with lower income, and those with a smaller loan amount (Table 14).



At Time of Repaying Student Loan, Did You Have
Access to Free or Low-Priced Accommodations?



Q14

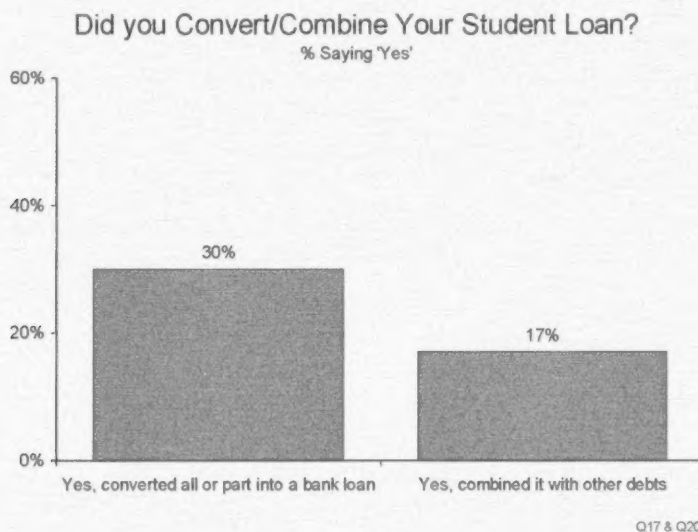
It is worth noting that rapid repayers do not appear to consider free or low-priced accommodation to be a form of financial assistance. That is, those who did have access to inexpensive accommodations while repaying their loan are only marginally more likely than those who did not have access to such accommodations to agree they had financial assistance in repaying their loan (51% to 43%, respectively). In addition, the estimated dollar amount of financial assistance received from family and friends does not differ for those who did and did not have access to free or low-priced accommodations (\$2,735 vs. \$2,500, respectively).



Debt Conversion

A minority of rapid repayers convert or combine their student loans in bank loans, primarily to achieve a lower interest rate.

As noted earlier, one tactic used by those repaying student loans is to take out a bank loan that is in turn used to pay off the CSL. Indeed, results indicate that three in ten rapid repayers converted all or part of their CSL into a bank loan. Nearly half as many, 17 percent overall, combined their student loan debt with other debts. In total then, roughly one-third (34%) of rapid repayers either converted their student loan to a bank loan or combined it with other personal debts. Of interest, most (61%) borrowers who combined their loans with other debts incorporated their entire student loan, as opposed to only a portion of the student loan (Tables 17, 20, 21).

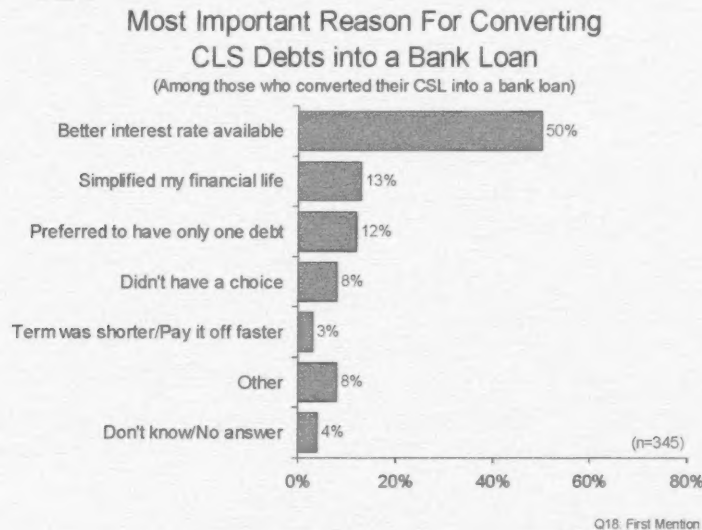


Conversion of student loan debt into a bank loan is a more common practice among Atlantic Canadian residents, those with a total loan of \$8,000 or more, parents, and those 28 years of age and older. Combination of student loan debt with other debts is most common among parents and rapid repayers over the age of 27.

Generally speaking, there are several potential benefits of debt conversion including lower interest rates, flexibility afforded by different payment plans, the simplicity achieved by having one debt as opposed to several. In addition, compared with a Canada Student Loan, converting the debt to a bank loan also affords the borrower with the opportunity to “shop around” for the best rate and to “personalize” the situation by sitting down with a loans officer face-to-face. It is clear among those who did convert their CSL into a bank loan (n=345) that the primary motivator is the lower interest rate. Among the top of mind reasons for conversion, the better interest rate available from the bank is by far the most common reason, mentioned by one-half of those who converted their loan. The simplification afforded by conversion is also popular, with one-quarter of those



surveyed saying either it simplified their financial situation or they preferred to have only one debt. Flexibility and personalization appear to be less important as they are mentioned relatively infrequently as the primary reason for converting the student loan into a bank loan (Table 18). Further analysis reveals that interest rates are stronger motivators for conversion among those with a higher income, those with a higher total loan amount, those who attended university, those residing in the BC and Ontario regions, and those over 23 years of age.

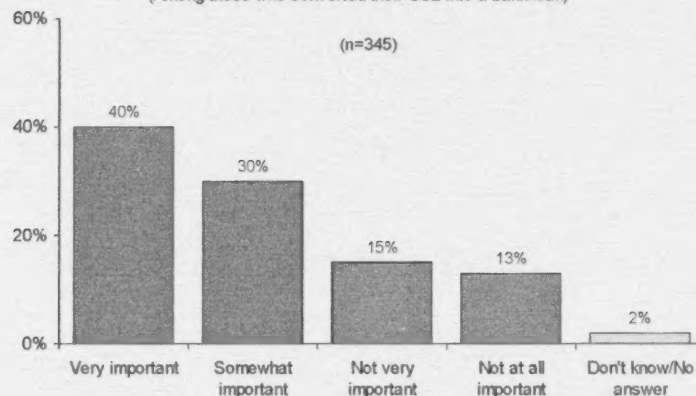


Despite the fact that few borrowers who repaid early mention (unaided) the opportunity to sit down face-to-face with a bank representative as the primary reason behind converting their CSL into a bank loan, this factor does carry some weight. When queried specifically about this factor, four in ten rapid repayers say the ability to talk face-to-face with a bank representative was very important, with seven in ten rating this factor as very or somewhat important. The ability to sit down face-to-face with a bank representative is of highest importance to those with an income of \$20,000 or less and those who attended a private institution. (Table 19)



Importance of Face-to-Face Meeting With Bank Rep in Decision to Convert Debt(s) into Bank Loan

(Among those who converted their CSL into a bank loan)



Q19

Impact of Interest Rate

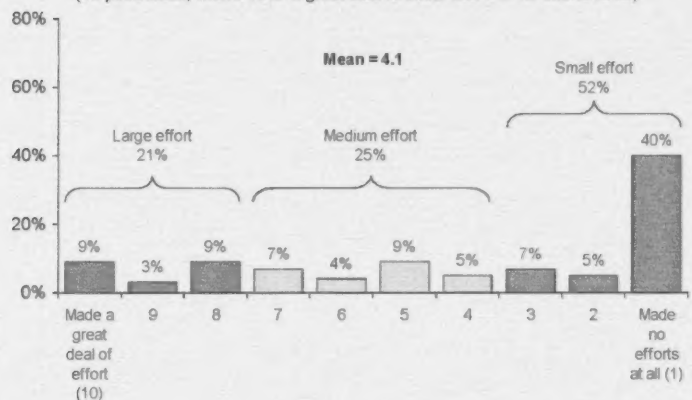
Although interest rates appear to have an impact on their repayment behaviour, most rapid repayers do not expend a great deal of effort in looking for lower interest rates.

With the prominence of debt conversion and the attendant importance of obtaining a lower interest rate, it seems likely that rapid repayers would have investigated the options available to them in the financial marketplace. Nevertheless, when asked to quantify, on a ten-point scale, the level of effort expended in exploring lower interest rates at other institutions, most rapid repayers admit doing little in the way of exploration. Four in ten offer the lowest possible rating, indicating they made no efforts at all to explore the possibility of lower interest rates, while over one-half of all rapid repayers offer ratings of 3 or less. Only one in five borrowers who repaid early say they put forth a large effort (ratings of 8 or higher). The mean rating was a 4.1 out of 10. The level of effort put forth to explore lower interest rate possibilities does vary across the population. Those who combined or converted their student loan put forth the greatest effort in this regard with four in ten offering ratings of 8 or higher out of 10. Other groups expending a higher than average effort in exploring the possibility of lower interest rates elsewhere include those less satisfied with the CSLP overall, those aged 28 or older, and those with higher total loan amounts (Table 24).



Efforts to Explore Possibility of Lower Interest Rate Loan Options at Other Institutions

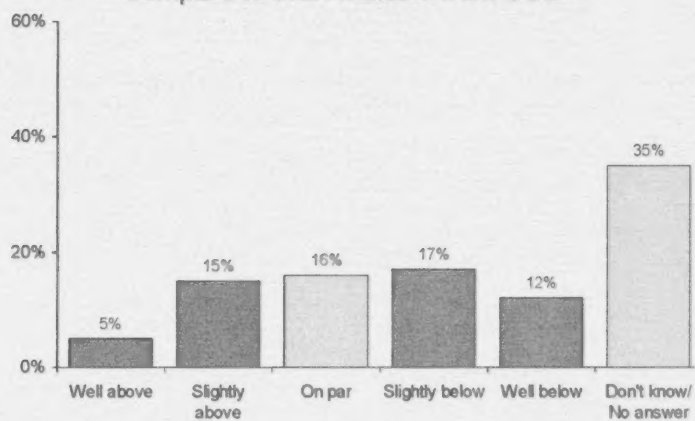
(10-point scale, where 10 is 'a great deal of effort' and 1 is 'no efforts at all')



Q24

An important factor influencing the repayment options for borrowers is the prevailing interest rate available in the financial marketplace. Results indicate that many rapid repayers are either unable to recall or were unaware of the prevailing interest rate available in the marketplace at the time they began to repay their student loan. Those who do recall the market situation at the time they began to repay their CSL offer a range of responses, with 29 percent reporting the available interest rate was below that offered by the CSLP, 20 percent saying the rate was above that offered by the CSLP, and the remaining 16 percent saying the rates were comparable (Table 23).

How Did Interest Rate in Financial Marketplace Compare to that Available from CSLP?



Q23



Several factors appear to be related to recall and assessment of the prevailing interest rates at the time of repayment. As might be expected, rapid repayers who combined or converted their CSL into a bank loan are far more likely to say the rate offered by financial institutions was below that offered by the CSLP. Of course, these individuals are more likely to recall what the market situation was at the time they began repayment because, as noted earlier, these individuals put forth a greater effort exploring the possibility of lower interest rate offerings. Other subgroups with greater knowledge of the market situation include those with a total loan amount of \$8,000 or more, males, and those with higher personal incomes.

Generally speaking, those subgroups who are more likely to give a definitive response regarding the prevailing interest rate (i.e., less likely to say "don't know") are also more likely to say the interest rate available from financial institutions was lower than that offered by the CSLP. In addition, the effort put forth to explore the possibility of lower interest rate is strongly related to the prevailing interest rate available. For example, those who made a large effort to explore lower interest rates (ratings of 8 or higher in question 24) were quite likely to have found lower interest rates, with nearly six in ten (56%) saying the interest rates available to them from financial institutions was below or well below what was offered by the CSLP. In contrast, those who put forth little effort in exploring lower interest rates (ratings of 3 or lower in question 24) were four times less likely to report that lower interest rates were available to them (14%). Finally, those who repaid their student loan early because they did not like the interest rate charged by CSLP are far more likely than others to have both put forth an effort to explore the possibility of lower interest rates and to know how the interest rates compared to the CSLP rate (typically lower).

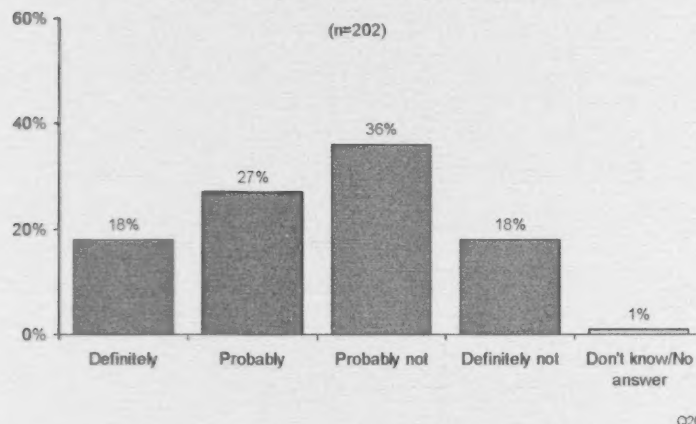
Rapid repayers who believe the interest rate available in the marketplace was below that offered by the CSLP (n=352) were further queried as to exactly how many percentage points better the rate was. Roughly one-third of borrowers who repaid early are unable to recall what the rate was at the time they began repayment. Of those who could recall the rate, most say it was 3 or fewer points less than the CLSP rate, with the average being 2.7 points less. Given the typical CLSP option of prime plus 2.5 percentage points, this would place the prevailing rate at or around the prime rate (Table 25).

Among rapid repayers who combined or converted their student loan into a bank loan with a lower interest rate (n=202), a slim majority say they probably or definitely would not have converted their loan if the rate available from the CSLP was the same as that available in the marketplace. Still, nearly one-half say they would have combined or converted their student loan even if the rate was the same (Table 26).



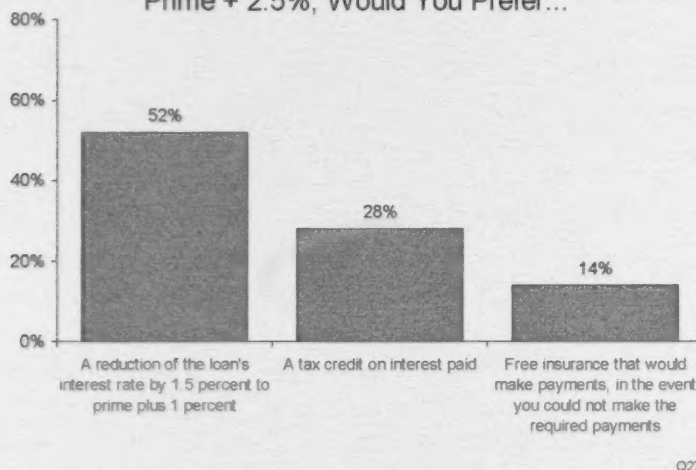
Would You Have Combined/Converted CSL Into a Bank Loan If Interest Rate Was the Same?

(Among those who combined/converted CSL into a bank loan)



Given the choice between a 1.5 point reduction in the interest rate, a tax credit on interest paid, or a form of free insurance for payments, it is apparent that rapid repayers would prefer the reduction in interest assuming they had a loan at prime plus 2.5 percentage points. Results reveal that rapid repayers would choose the interest rate reduction by nearly a two-to-one margin over the tax credit, with only one in seven opting for the free insurance in case they were unable to make payments. Results on this topic are relatively consistent across the key population subgroups, with all groups showing a preference for the interest reduction option (Table 27).

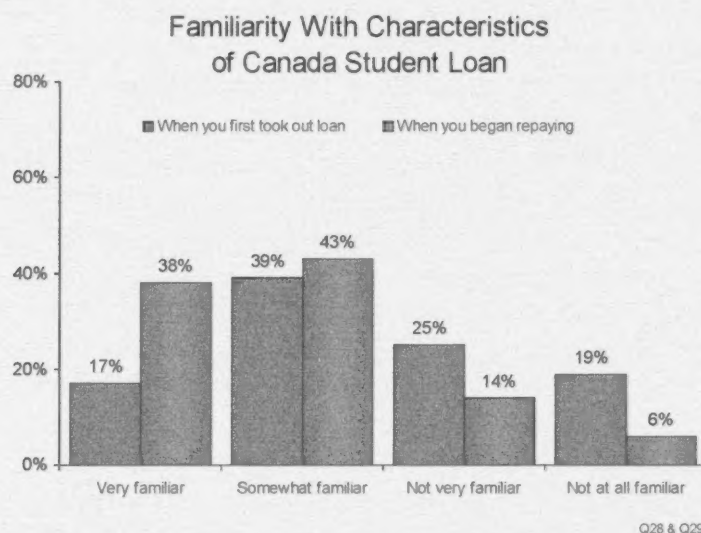
Assuming You Had a CSL at Prime + 2.5%, Would You Prefer...



Understanding of Loan Characteristics and Repayment Terms

There is room for improvement in terms of educating borrowers about the characteristics and benefits of a CSL, and such information would result in a small but noticeable impact on borrowers' decision to repay the loan early.

To gauge how borrowers enter into their student loan situation, rapid repayers were asked to rate their level of familiarity with the characteristics of their Canada Student Loan, such as the repayment schedule, grace period, interest rate charged, and so on. At the time when they first took out the student loan, early repayers report a moderate level of familiarity with the specifics of their loan. Just over one-half of all rapid repayers say they were very or somewhat familiar with the loan characteristics, while more than four in ten were not very or not at all familiar. There is little variation across the population in terms of the initial level of familiarity with the characteristics of the loan at the time they first took the loan out (Table 28).



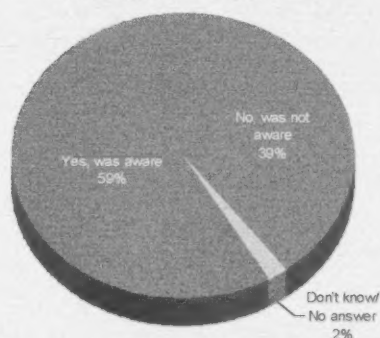
Familiarity with the specifics of their student loan increased substantially by the time borrowers started making payments on the loan, with the percentage of those saying they were very familiar more than doubling. In total, eight in ten borrowers report being very or somewhat familiar with the characteristics of their loan at the time they started repaying it. Still, there remains a significant minority of borrowers (20%) who claim they were not very or not at all familiar with the characteristics of their student loan when they began repaying it. Once again, there is little variation across the key subgroups on this topic, although results do indicate that the level of familiarity increases with increases in personal income. That is, those with a personal income of more than \$40,000 report a much higher level of familiarity compared with those who report a personal income of \$20,000 or less. It should also be noted that those whose primary reason for early repayment was because they had assistance from family or friends express less familiarity with their loan characteristics, both at the time they took out the loan and at the time they



began repayment (Table 29).

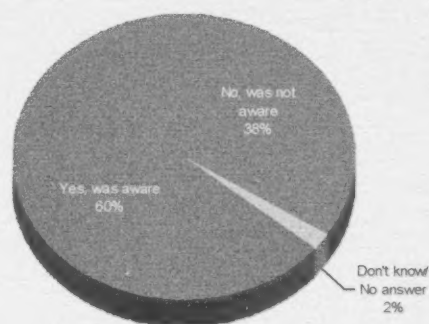
With respect to awareness of benefits provided by holding a Canada Student Loan, results reveal that close to four in ten borrowers who repaid their loan early were unaware of the fact that they could receive a tax credit on interest paid on their CSL. Moreover, a similar number of rapid repayers report being unaware of the Interest Relief option. Those least likely to be aware of these two benefits include those residing in the BC region, those with an income of \$20,000 or less, and those who attended a private institution, and those with a total loan amount of \$4,000 or less. There is a clear opportunity for education in this respect as further analysis indicates that close to 60 percent of rapid repayers are unaware of one or both of these particular benefits (Tables 30, 33).

Were You Aware You Could Receive
a Tax Credit on Interest Paid?



030

Were You Aware of Interest Relief Option?



033

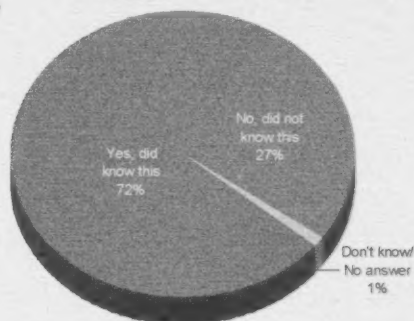
Among rapid repayers aware of the various benefits afforded by holding a CSL, most understood that by paying off their CSL early they would no longer be eligible to receive these benefits. Still, there remains a significant minority who report that they did not know paying off their student loan early would negate their eligibility for these benefits. Overall, more than one-third of rapid repayers aware of the tax credit and Interest Relief option do not know that repaying early results in the loss of one or both of these benefits. Younger borrowers, those with an income of \$20,000 or less, and those who attended private institutions are least likely to be aware that paying off the CSL early would mean the end of the tax credit benefit, while those with a total loan amount of \$8,000 or more and those who are married with no children are most likely to report knowledge of this impact. With respect to the Interest Relief option, those least likely to be aware that rapid repayment would end their eligibility for this option include those who attended a college or private institution, single individuals, and married parents (Tables 31, 34).



Did You Know You Would No Longer Benefit From Tax Credit by Paying Off CSL?

(Among those aware of tax credit)

(n=713)

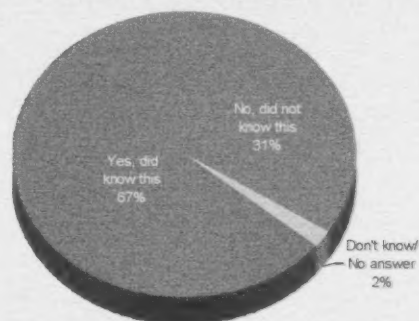


Q31

Did You Know You Would No Longer Be Eligible for Interest Relief by Paying Off CSL?

(Among those aware of Interest Relief option)

(n=724)



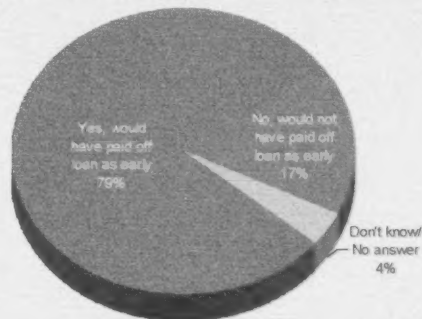
Q34

Among those who were either unaware of the benefits or the impact of early repayment, a large majority say having this knowledge beforehand would not have affected their decision to repay the loan early. Nevertheless, close to two in ten say that having such knowledge would have lead to a different loan decision (i.e., they would not have repaid early). In total, roughly one-quarter of those with no previous knowledge of the impact of early repayment on these benefits say they would not have repaid their CSL early had they been aware of these benefits and the impact early repayment had on them. *Given the overall level of awareness in the population, it is estimated that approximately 15 percent of the rapid repayer population would not have paid the loan off early had they known about the tax credit on interest paid or Interest Relief option and the impact of early repayment on these benefits.* Further analysis indicates only minor variation on these topics across the key population subgroups, as a large majority of all subgroups indicate that they still would have paid the loan off early even if they had known about the benefits (Tables 32, 35).

Would You Have Paid Off CSL If You Had Known You Would Lose Tax Credit Benefits?

(Among those unaware of tax credit benefit rules)

(n=661)

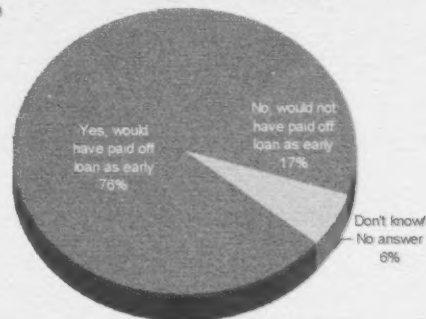


Q32

Would Have Paid Off CSL Had You Known You Would Lose Eligibility for Interest Relief?

(Among those unaware of Interest Relief rules)

(n=685)



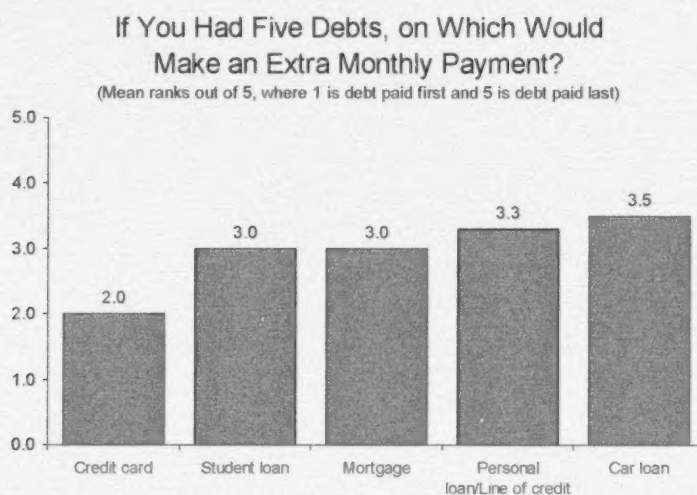
Q35



Other Financial Considerations

Rapid repayers incur education loans averaging close to \$20,000, and carry over \$8,000 in non-education related debt.

Obviously, the decision to repay a loan early is dependent on the borrowers attitude toward debts as well as their financial situation. To gain a better understanding of the attitudes and behaviours of rapid repayers, a series of questions sought to ascertain how their repayment of the CSL might have been related to their financial situation. First, rapid repayers were asked to imagine that they had five different kinds of debt: credit card, student loan, mortgage, personal loan or line of credit and a car loan. Next they were asked to rank the five types of debt according to the order in which they would apply an extra monthly payment if they could make one. The following graph shows the average ranks for each of the loan types, scaled such that a '1' refers to the type of debt they would pay first, and a '5' refers to the type of debt they would pay last. As is evident in the graph, credit card debt receives the lowest rank and is therefore considered to be the "most important" debt to pay off. Student loan debt and mortgage debts tie for second most important, followed by personal loans and car loans. Results on this topic are very consistent across the population, although it is the case that those with a higher personal income place even higher importance on paying credit card debt before other debts (Table 36).



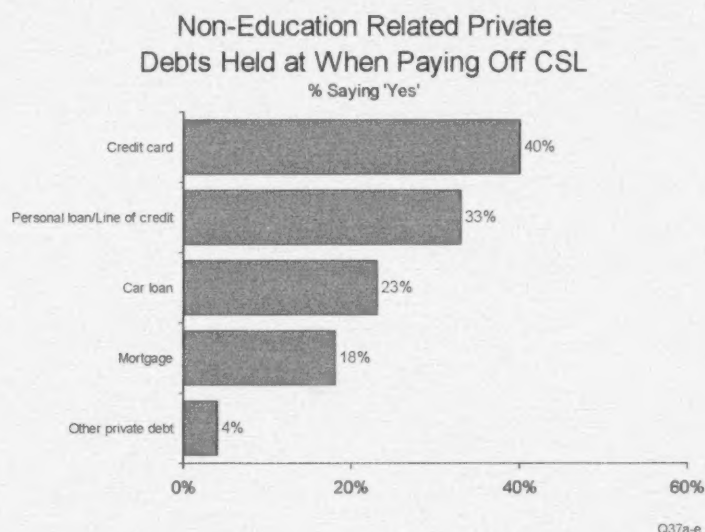
Q36

Defaulter comparison – Comparing these results to a recent study of loan defaulters suggests differing priorities between defaulters and rapid repayers. In particular, rapid repayers place greater emphasis on repaying credit card debt, whereas defaulters place greater emphasis on rent or mortgage payments and little emphasis on credit card debt.

With respect to the non-education related private debts held by rapid repayers at the time they were paying off their student loan, credit card debt is the most common. Four in ten rapid repayers



indicate having credit card debt at the same time as their CSL, while one-third say they had a personal loan or line of credit. Car loans and mortgages are each mentioned by roughly one in five rapid repayers. Relatively few borrowers who repaid early mention having any other types of non-education related private debt (Table 37).



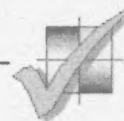
The types of debt held vary substantially across the population, as follows:

Mortgage – More likely among residents of Atlantic Canada and the Prairies, those who are older and with higher income, those who are married or are single parents, those who attended a private institution, and those who combined or converted their CSL into a bank loan.

Personal loan or line of credit – More common among those residing in Atlantic Canada, those who combined or converted their CSL into a bank loan, and those with higher income. Less common among those under the age of 24, those residing in the BC region, and those who are single with no children.

Credit card debt – More common among those residing in Atlantic Canada, those who combined or converted their CSL into a bank loan, single or married parents, those with incomes between \$20,000 and \$40,000, and those over 27 years of age.

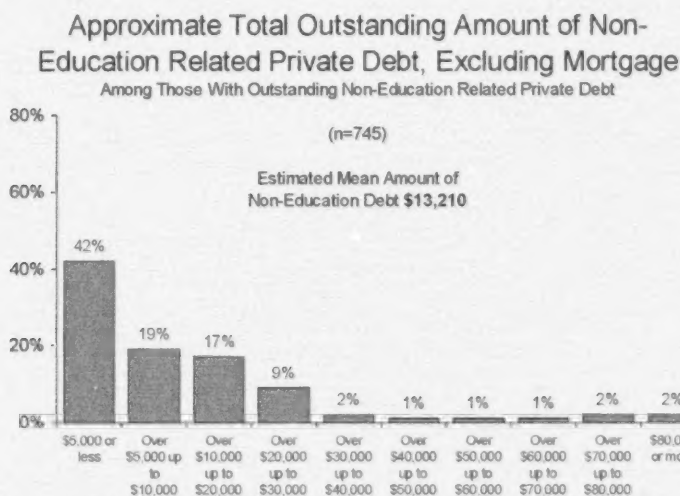
Car loan – More likely among residents of Atlantic Canada, but less likely among residents of the BC region. More common among those who combined or converted their CSL into a bank loan, those who are married (with or without children) and single parents. In addition, the likelihood of having a car loan increases as personal income increases.



Other non-education related private debt – Relatively few rapid repayers in any subgroup report having any other types of debt.

Defaulter comparison – Of interest, the types of debt held by defaulters and rapid repayers are very similar, although defaulters are slightly more inclined to carry credit card debt and less likely to have a mortgage.

Among rapid repayers who held non-education related private debt at the time they were repaying their CSL (n=745), the total amount held (excluding mortgage) was generally less than \$5,000. Still, more than one-third of those with non-education related debt report amounts between \$5,000 and \$20,000, with close to 20 percent holding debts of greater than \$20,000. Although the responses to this question were categorical, it is estimated that rapid repayers with non-education debt carried, on average, approximately \$13,000 in non-education related debt, over and above any education-related debt. Across the population, higher debt levels were found among older rapid repayers, those with higher income, those who are either married or have children, those who attended university, and those with a higher total loan amount (Table 38).

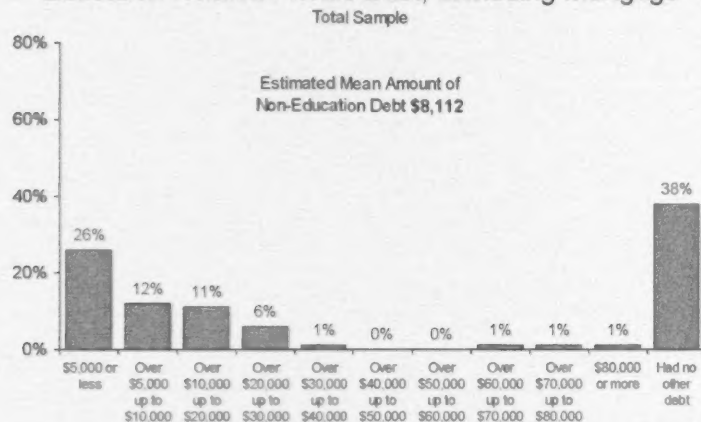


Q38

Of note, among all rapid repayers, 38 percent report having no non-education related debt at the time they were repaying their CSL, while an additional 26 percent had no more than \$5,000. It is estimated that rapid repayers, in total, carried an average of approximately \$8,000 in non-education related debt at the time they were repaying their CSL.



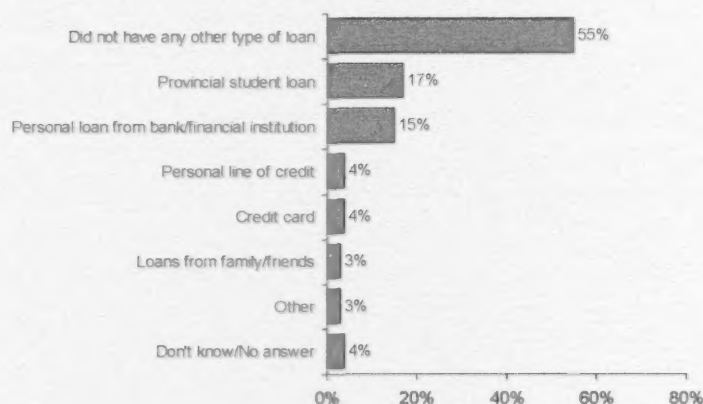
Approximate Total Outstanding Amount of Non-Education Related Private Debt, Excluding Mortgage



Q38

Aside from the Canada Student Loan, nearly one-half of rapid repayers also tap into a number of other sources to fund their post-secondary education. Most notable among these other sources are provincial student loans and personal loans from a financial institution, each mentioned by close to one in six rapid repayers. Although several other sources are mentioned, none are utilized by more than four percent of those surveyed. It is worth underscoring that more than one-half of rapid repayers have no other loans other than those obtained through the Canada Student Loans Program. Further analysis indicates that those with lower personal income are less likely to have any other education loans, while those with an income of more than \$40,000 are more likely to have used a personal loan to fund their post-secondary education (Table 39).

Loans Other Than CSL Used to Fund Post-Secondary Education

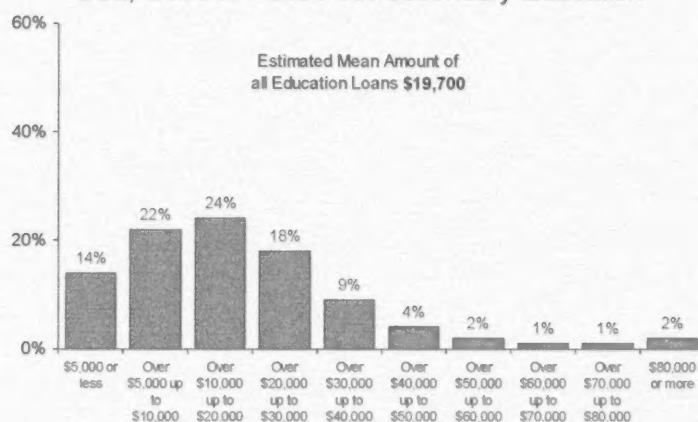


Q39



With respect to all loans used by rapid repayers to fund their education, the total amount of those loans was typically between \$5,000 and \$30,000. Roughly one in seven rapid repayers held a small amount (less than \$5,000) of education-related loans, while approximately one in five held education-related loans in the amount of more than \$30,000. Although the responses to this question were categorical, it is estimated that rapid repayers used approximately \$20,000 in education-related loans, including their Canada Student Loan. Given an average CSL amount of approximately \$7,000 for rapid repayers, this puts the average amount of all other loans used to fund post-secondary education at approximately \$13,000 (Table 40).

Approximate Total Amount of All Loans, Including
CSL, Used to Fund Post-Secondary Education



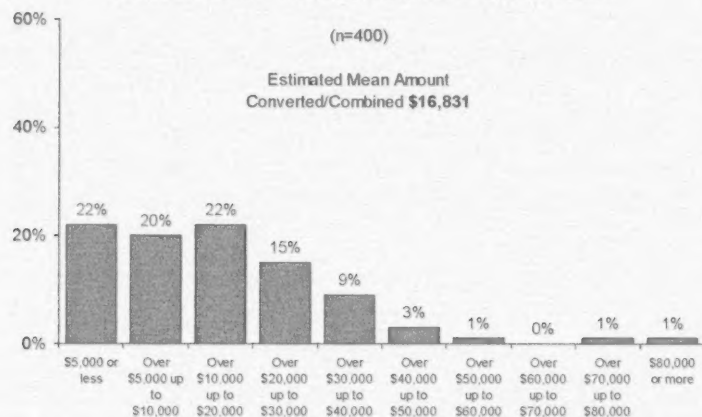
Q40

Across the population of rapid repayers, those with the highest loan amounts include those residing in Atlantic Canada and Ontario, those who are older, those with a higher income, those who attended university, those with higher total CSL, and those who combined or converted their student loan into a bank loan.

Among rapid repayers who combined or converted their CSL into bank loan (n=400), results indicate that most converted student loan amounts between \$2,000 and \$30,000 into a bank loan. One in ten rapid payers who converted all or part of their student loans into a bank loan did so with amount totaling no more than \$2,000, while one in seven converted student loans totaling more than \$30,000. On average, based on a conservative estimate from the categorical data, the amount converted to bank loans by rapid repayers who did convert was approximately \$17,000, or nearly three-quarters of the all loans used to fund their post-secondary education. Rapid repayers converting the largest amounts into bank loans include those over 23 years of age, those with higher personal incomes, those who attended university, those with a higher total loan amount, and those who are less satisfied with the CSLP overall (Table 41).



Approximate Total Amount of CSL That Was
Converted or Combined Into a Bank Loan



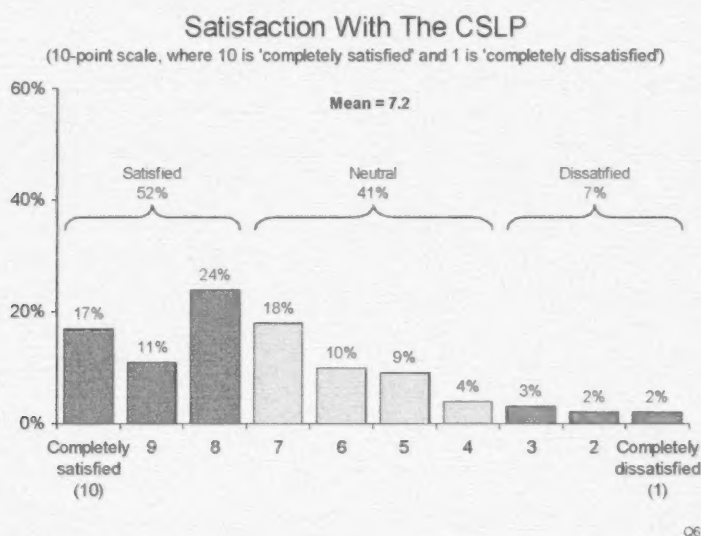
Q41



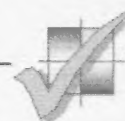
Satisfaction with CSLP and the Repayment Process

Although generally satisfied with the CSLP and the service it provides, those who repay early are somewhat more critical of the flexibility afforded to students by the Program.

Among rapid CSL repayers, there is a high degree of satisfaction with the Program in general. Rated on a scale of 1 (complete dissatisfaction) to 10 (complete satisfaction), over one-half of borrowers who repaid early offer ratings of 8 or higher, with an average rating of 7.2 out of 10. Fewer than one in ten rapid repayers offer a rating of the Program that is near the bottom of the scale (ratings of 1 to 3). Ratings of the program are notably higher among parents, those attending a private institution, and those residing in the BC region (Table 6).

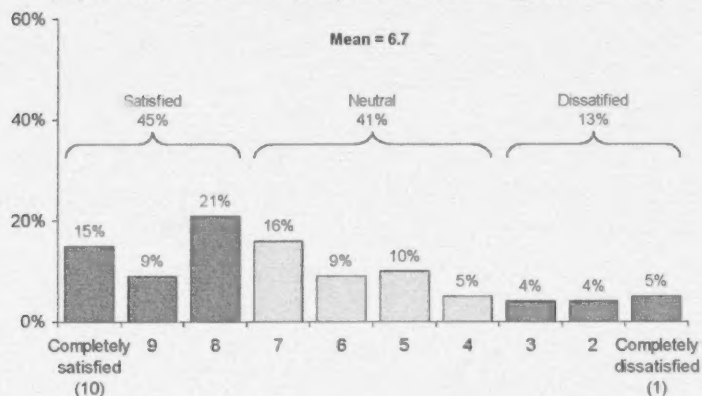


Satisfaction with the CLSP's loan repayment process itself is also relatively high, with more than four in ten rapid repayers offering ratings of 8 or higher. The average level of satisfaction with the loan repayment process is 6.7 out of 10. Across the population, satisfaction with the loan repayment process is highest among parents and those attending colleges or private institutions. In contrast, satisfaction is notably lower among those with loan amounts of more than \$8,000 and those who have combined/converted their CSL into a bank loan. Finally, results suggest a strong relationship between overall CSLP satisfaction and satisfaction with the loan repayment process (Table 7).



Satisfaction With The CSLP's Loan Repayment Process

(10-point scale, where 10 is 'completely satisfied' and 1 is 'completely dissatisfied')

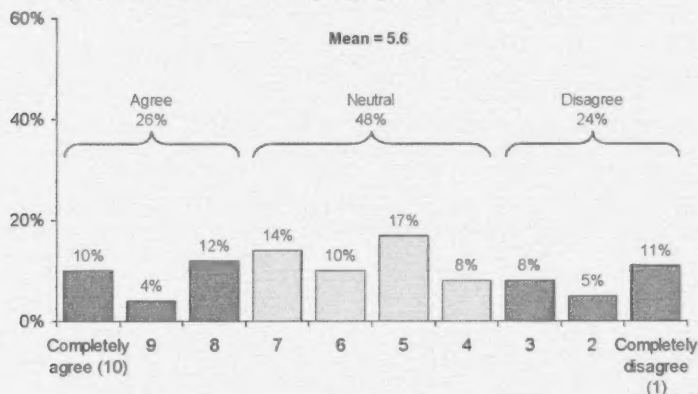


Q7

Although the loan repayment process is rated positively overall, borrowers who repaid early are somewhat equivocal on the topic of CSLP's encouragement of quick loan repayment. More specifically, one-quarter of rapid repayers agree (ratings of 8 or higher) the Program promotes quick repayment of student loans, while a similar number disagree with this statement (ratings of 3 or lower). Those least likely to believe the Program promotes rapid repayment include those who are not satisfied with the CSLP overall, those who combined/converted their CSL into a bank loan, those who are married with no children, those who attended a university, and those with a higher income in their final year of repayment (Table 42).

Agreement That CSLP Promotes Quick Repayment of Student Loans

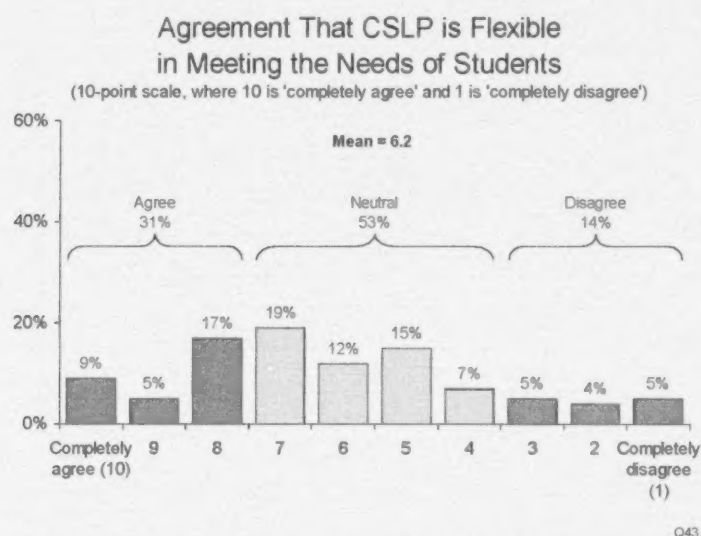
(10-point scale, where 10 is 'completely agree' and 1 is 'completely disagree')



Q42



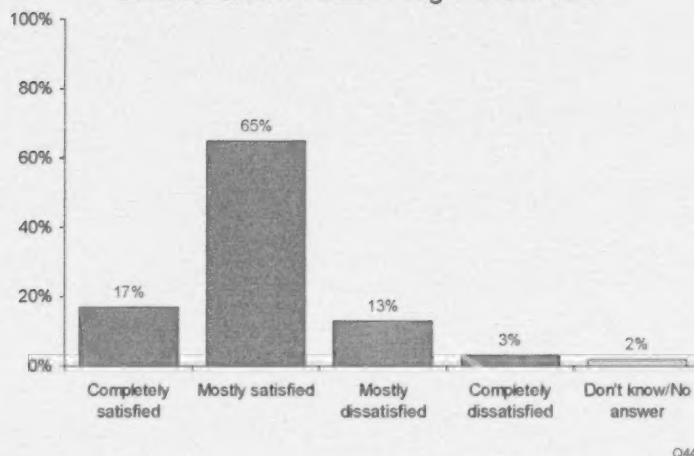
Results indicate that rapid repayers express a moderate level of agreement with respect to the flexibility of the Canada Student Loans Program in meeting the needs of students. On a scale of 1 (completely disagree) to 10 (completely agree), three in ten borrowers who repaid early offer ratings of 8 or higher, roughly double the number who offer scores at the bottom of the scale (3 or lower). Indeed, the average rating of flexibility given by rapid repayers is 6.2, very close to the midpoint of the scale. Assessments of flexibility are generally consistent across the population, although it should be noted that those who are less satisfied with the CSLP overall offer lower ratings of the Program in terms of its flexibility (Table 43).



It is clear that while those who pay off their CSL early do express satisfaction with the service they received from CSLP officials, there may be room for improvement in this area. That is, although eight in ten rapid repayers were satisfied with the service they received, the majority offer ratings of mostly satisfied, as opposed to completely satisfied. In addition, one in six borrowers who repaid early were dissatisfied with the service they received. Results on this topic vary little across the population. Nevertheless, those satisfied with the CSLP overall are more inclined to indicate they were *completely* satisfied with the service from CSLP officials, as are married/single parents (Table 44).

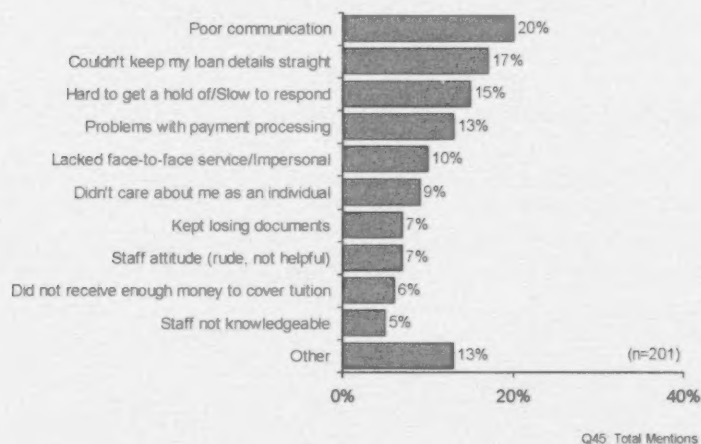


Satisfaction With the Service Received from Canada Student Loan Program Officials



Among rapid repayers who were dissatisfied with the service they received from CSLP officials (n=201), communication problems appear to be the main reason behind their dissatisfaction, including poor communication (20%), not being able to keep loan details straight (17%) and losing documents (7%). Another common theme reflects perceived impersonal nature of the dealings with officials (e.g., lack of face-to-face service: 10%; didn't care about me: 9%), including staff that were considered rude or unhelpful (7%). Finally, a significant minority of borrowers who repaid early also mention slow response time (15%) and problems with repayment processing (13%) as the reason for their dissatisfaction (Table 45).

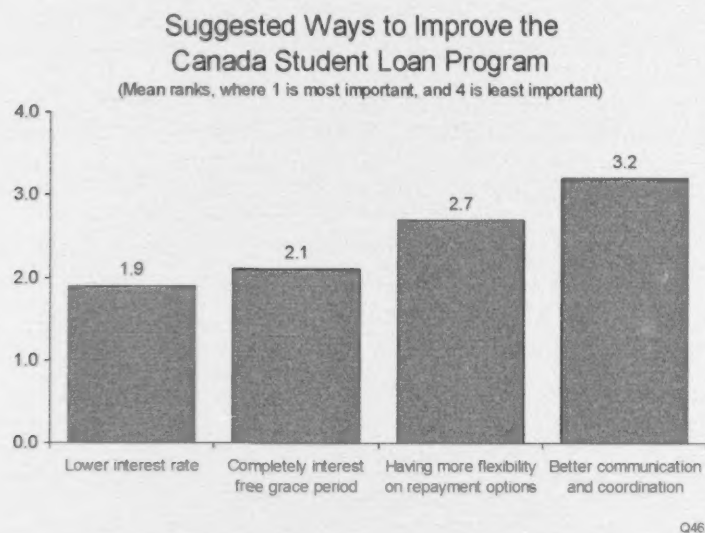
Why Were You Dissatisfied With the Service Received from CSL Officials?



Rapid repayers were also asked to rank four different suggestions for improving the CSLP: a lower interest rate, having a completely interest free grace period (the same as in-study), better



communication and coordination, and having more flexibility on repayment options. Improvements were ranked from 1 to 4, where '1' is the most important improvement and '4' is the least important improvement. Given these four suggestions, a lower interest rate is the preferred choice, slightly ahead of a completely interest free grace period. Each of these two suggestions receives an average rank of close to 2 out of 4. Having more flexibility on repayment options is the clear third choice, with better communication and coordination ranking last among rapid repayers. The pattern of results observed for this question is very consistent across the population of rapid repayers (Table 46).



Rapid Repayer Segments

Four segments of rapid repayers were identified based on differing motivations for paying off their student loan early.

A secondary objective of the current research involves the exploration of unique segments of the rapid repayer population who may require and/or benefit from tailored programs and strategies. As is the case with any segmentation analysis, the first step is to delineate the variable(s) from which to create the segments (i.e., the “type” of segmentation). Once the segments have been identified, the second step is to develop a thorough profile of the segments on all available information.

In this case, the primary thrust of the research is to understand different motivations for repaying the student loan earlier than required in the terms of the contract. Rather than making the problem more complex than it needs to be, a straightforward approach seems most sensible. Thus, the creation of the early repayment segments was based on one simple question posed to rapid repayers: What was the primary reason for repaying your CSL early? Based on answers to this question, four segments were created:

Interest Avoiders – Borrowers in this segment repay their loan early for the purpose of saving the interest they would otherwise have to pay on the debt.

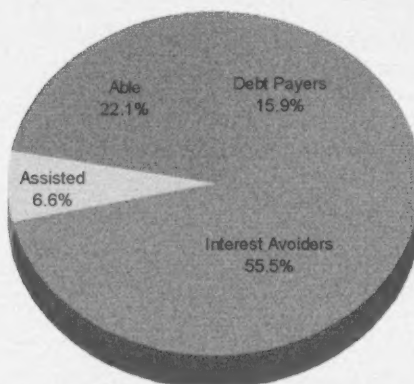
Able. Borrowers in this segment repay their loan early simply because they are able to do so, either because they could afford it, the loan was small, or they had a windfall.

Debt Payers. Repayers in this segment report that, psychologically, they do not like having debt and that is the primary reason they paid their loan off early.

Assisted. The smallest segment, this group includes individuals who repay their loan ahead of schedule because of outside assistance, most likely a friend or relative who paid the loan off for them.



Rapid Repayer Segments



Derived from Q13

One interesting distinction should be pointed out with respect to the four segments. Two of the segments, Able and Debt Payers, paid off the debt (themselves) and no longer owe anyone for the money used to fund their education. In contrast, Interest Avoiders did pay off their student loan debt, but in reality they merely traded it for another debt (which may or may not be paid off). Finally, individuals in the Assisted segment also no longer owe money on their student loan, similar to the Able and Debt Payers segments. However, like the Interest Avoiders, those in the Assisted segment may still owe someone, be it financially or psychologically, which may have ramifications on their attitudes and behaviours.

In the remainder of this section, each of the segments is described in detail based on the information contained in the survey. Segment profiles focus primarily on differences among the segments; information not reported can be assumed to be the same for all segments and not different from the larger population of rapid repayers. Each profile begins with a brief summary highlight the “personality” of the segment, following by a more detailed listing of the key segment attributes.



Profile of Interest Avoiders Segment

As the name implies, this segment is driven by the need to reduce/avoid the interest paid on their student loan. This by far the largest segment, comprising more than one-half of the rapid repayer population. Of note, individuals in this segment tend to carry the highest amount of debt, both education and non-education related. They are not satisfied with the interest rate charged by the CSLP and put forth a greater than average effort to find a better interest rate. Quite frequently these individuals end up converting their student loan into a bank loan with a more favourable interest rate, or combining the loan with other debts. Individuals in this segment tend to express the greatest dissatisfaction with the CSLP in general, and the service provided by its officials.

Profile of Interest Avoiders Segment (56%)

- Offer lower levels of satisfaction with the CSLP's loan repayment process (q7)
- More likely to cite the high interest rate as the primary disadvantage to CSL (q9)
- More likely to move 50+ km away after school (q10a)
- Most likely to repay early to avoid having to pay the interest (q13)
- Express greater concern about paying the rate of interest charged by CSLP (q15b)
- More likely to believe banks/credit unions provide more flexible and customized products to meet their needs (q15c)
- More likely to believe a better interest rate could be found outside of the CSLP (q15d)
- Less likely to believe their loan was small and could be paid off quickly (q15e)
- Financial resources drawn upon to repay loan more likely to include:
 - Bank loan (q16, q17)
 - Personal line of credit (q16, q22i)
- Far more likely than others to convert CSL into bank loan (q17)
- Of those who convert CSL into bank loan, more likely to do so in order to get a better interest rate (q18)
- More likely than others to combine CSL (in its entirety) with other debts (q20)
- More likely to say prevailing interest rate offered by financial institutions at the time of loan repayment was below that offered by CSLP (q23)
- More likely to have put forth effort to explore the availability of lower interest rates (q24)
- Report larger average interest rate difference between CSLP and rate available to them (q25)
- Have the largest amount of non-education related debt of the four segments (q38)
- Have the largest total amount of education loans of the four segments, including the CSL component (total loan from sample, q40)
- Converted/Combined substantially larger amounts of loans into a bank loan (q41)
- Less likely than others to agree the CSLP is flexible in meeting students' needs (q43)
- More likely to be dissatisfied with service received from CSLP officials (q44)
- More likely to be married, without children (q49)
-



Profile of Assisted Segment

This segment is by far the smallest segment, representing those who repaid their student loan early because they had help, financial and otherwise, from others. Indeed, assistance from others (especially parents/guardians) is the primary reason they repaid early, and includes financial assistance, access to vehicles, access to free/low-priced accommodations, and even others' transferring or paying off the loan. Surprisingly, individuals in this segment repay their loan faster than those in other segments. They are notably less familiar with the characteristics of their student loan and the financial marketplace, and place less importance on their CSL for funding their post-secondary education. Although they have a lower amount of non-education related debt than other segments, the total amount of education loans is not different than most other segments.

Profile of Assisted Segment (7%)

- *More likely to be female*
- *CSL less important to their ability to fund post-secondary education (q5)*
- *More likely to cite the high interest rate as the primary disadvantage to CSL (q9)*
- *Less likely to move 50+ km away after school (q10a)*
- *Most likely to repay early because they had assistance from others (q13, q15i)*
- *More likely to have access to free or low-priced accommodations while paying off CSL (q14)*
- *Less likely to believe their loan was small and could be paid off quickly (q15e)*
- *Parents/Family members/spouse are primary resources for repaying loan including:*
 - Financial assistance from parents/family/spouse (q15i, q16, q22e)*
 - Parents or guardians paid loan off (q22c)*
 - Parents or guardians transferred loan to their bank account (q22d)*
 - Parents/guardians/spouse/partner gave access to vehicle (q22f)*
 - Spouse or partner paid off loan or transferred it to their bank account (q22g)*
- *Less likely than others to convert CSL into bank loan (q17)*
- *Less likely than others to combine CSL with other debts (q20)*
- *Less likely to recall what the prevailing interest rate was during loan repayment (q23)*
- *Less familiar with characteristics of their CSL, both at the time the loan was taken out and at the time they began repayment (q28, q29)*
- *Lower awareness of tax credit on interest paid (q30)*
- *Less likely than others to know early repayment would negate tax credit (q31)*
- *Less likely to have non-education related debt, especially mortgage, line of credit, and car loan (q37)*
- *Have the smallest amount of non-education related debt of the four segments (q38)*
- *Less likely than others to agree the CSLP is flexible in meeting students' needs (q43)*
- *More likely to be dissatisfied with service received from CSLP officials (q44)*
- *Paid their student loan off much faster than other segments (q48)*
- *Larger household size when they paid off their loan (q50)*
- *Personal income in final year of repayment was the lowest of all four segments (q51a)*
- *Amount of financial assistance received from parents/family/spouse/others was far greater than for the other segments (q51b)*
- *Less likely than others to be employed full-time during repayment. More likely than others to be employed part-time or not at all (q52)*
- *Took longer after completing studies to find a paying job (q54)*



Profile of Able Segment

This second largest segment, these individuals pay off their student loan purely because they have the ability to do so. In many cases, individuals in this segment are able to pay off early because their loan amount is smaller. This segment relies heavily on personal savings and earnings to pay off their student loan, and it is worth noting that they are more likely than others to have paying jobs lined up prior to completing their post-secondary education. Satisfaction with the CSLP repayment process is the highest among this segment, with many saying there are no disadvantages to having a Canada Student Loan. Importantly, individuals in this segment are least likely to be affected by efforts to educate borrowers about the tax credit on interest paid or Interest Relief option and the impact of early repayment on these benefits.

Profile of Able Segment (22%)

- *CSL less important to their ability to fund post-secondary education (q5)*
- *Offer the most favourable ratings of the loan repayment process (q7)*
- *Least likely to name any disadvantages to CSL as a source of funding (q9)*
- *Most likely to repay early because they had the ability to do so (q13)*
- *Less concerned with the rate of interest charged by CSL (q15b)*
- *More likely to agree their loan was small and could be paid off quickly (q15e)*
- *Less likely to agree that their student loan was a priority over other debts (q15h)*
- *Financial resources drawn upon to repay loan more likely to include:*
 - Personal savings (q16, q22a)*
 - Job that allowed quick repayment of loan (q22b)*
- *Less likely than others to convert CSL into bank loan (q17)*
- *Less likely than others to know early repayment would negate tax credit and Interest Relief option (q31, q34)*
- *More likely than others to say they would have paid off the loan even if they had known early repayment would negate Interest Relief option (q35)*
- *Have smaller total education loan amounts relative to the other four segments, including the CSL component (total loan from sample, q40)*
- *More likely than others to agree the CSLP promotes quick repayment of loans (q42)*
- *Most likely to find paying jobs before completing studies (q54)*



Profile of Debt Payers Segment

The Debt Payers segment is the least distinctive of the four segments. In fact, in many respects this segment is similar to the Able segment, and could probably be combined with that segment except for one reason: they offer a very different rationale for repaying their loan early. Like the Able segment, Debt Payers tend to be more satisfied with the CSLP process and rely on personal savings and earnings to repay the student loan. However, unlike the Able segment, individuals in the Debt Payers segment say they repaid their CSL early because they do not like to have debt. This can be construed as a “higher” level motivation, and as such, this group was kept as a separate segment. Despite the fact these individuals say they do not like debt, results indicate that they carry approximately the same types and amount of debt as individuals in other segments (except Interest Avoiders), including student loans. It is possible that the attitudes and behaviours of this segment could be further explored in future surveys, with the thought of possibly combining them with the Able segment if they are not found to be sufficiently distinctive.

Profile of Debt Payers Segment (16%)

- Offer higher degree of satisfaction with the CSLP overall (q6)
- More likely to list poor terms of the CSL as the primary disadvantage to CSL (q9)
- Of those who move 50+ km away after school, more likely to do so in search of better employment (q11a)
- More likely to repay early because they don't like having debt (q13)
- Less concerned about the rate of interest charged by CSLP (q15b)
- Of those who convert CSL into bank loans, more likely than to do so in order to simplify debt situation (q18)
- Financial resources drawn upon to repay loan more likely to include:
 - Personal savings (q16, q22a)
 - Job that allowed quick repayment of loan (q22b)



Study Methodology

Questionnaire Design

The questionnaire used for this study was designed by CRA, in consultation with Canada Student Loans Program (“the Program”) staff. It should be noted that the survey design was guided by previous research conducted by other suppliers, as well as by qualitative research conducted specifically with rapid repayers by CRA at the outset of this project. The initial report provided from the qualitative research with rapid repayers is included in Appendix C of this document. Prior to being finalized, the survey was pre-tested on a small number of rapid repayers to ensure the appropriateness of the questions and response categories.

Sample Design and Selection

The sampling frame consisted of a current database of Canada Student Loan rapid repayers provided by the Program, representing all rapid repayers from the loan years of 2002 through 2006. From this database, a random sample of records was selected and utilized for dialing. Prior to selection of the sample records, however, the database was processed to identify records for exclusion (e.g., duplicates, incorrect/missing telephone numbers, those on the do not call list, etc.). To enhance survey completion, potentially valid telephone numbers were “predialed” in order to determine whether the number represented an “active” telephone number. The final sample utilized for dialing was drawn from all active telephone numbers present in the original database.

Survey Administration

The survey was conducted by telephone from February 9 to March 15, 2007 from Corporate Research Associates’ data collection facilities in Halifax, Nova Scotia and Saint John, New Brunswick. All interviewing was conducted by fully trained and supervised interviewers and a minimum of 10 percent of all completed interviews were subsequently verified. The average length of time required to complete an interview was 23 minutes.

Data Weighting and Reporting

Upon completion of the study, an assessment of non-response bias was conducted by comparing data for rapid repayers completing the survey, to the known population of rapid repayers on several key dimensions, as provided by the Program. In particular, the variables assessed included type of institution (college, private, university), age (categorized), gender, total loan amount (categorized), and region (based on province of residence).

Analysis indicated that the final sample of completed interviews closely mirrored the overall population of rapid repayers on all dimensions assessed, with the exception of region. As a result, weights were established to ensure the final dataset closely represented the population along all key dimensions. The following table outlines the final sample of 1,203 completed interviews in



comparison to the overall population of repayers. For purposes of comparison, data from the sample of completed interviews are shown both unweighted and after the weights were applied.

	Sample - Unweighted	Sample - Weighted	Population
Age			
17 - 23	33%	34%	34%
24 - 27	37%	36%	38%
28 or older	30%	30%	28%
Gender			
Male	39%	39%	40%
Female	61%	61%	60%
Institution Type			
College	29%	28%	31%
Private	12%	13%	9%
University	59%	59%	59%
Total Loan Amount			
\$0 - \$4,000.99	34%	32%	35%
\$4,001 - \$8,000	36%	36%	35%
\$8,000 or more	30%	32%	31%
Region (from province of residence)			
Atlantic	18%	26%	26%
Ontario	31%	27%	27%
Prairies	27%	21%	21%
BC/YT	23%	24%	24%
Other (QC, NT, NU)	1%	2%	2%

Based on the overall population of rapid repayers, a random sample of 1,203 would be expected to produce a margin of error of ± 2.3 percentage points, 19 times out of 20.

For purposes of reporting, all data were broken out across several key subgroups of the population. More specifically, data are displayed in the tabular results based on the following subgroups:

- Institution type (from sample provided by the Program)
- Total loan amount (from sample provided by the Program)
- Age (from sample provided by the Program)
- Region (based on province of issue provided by the Program)
- Satisfaction with the CSLP (from question 6, ratings of 8-10 defined as "satisfied")
- Those who combined/converted their CSL into another loan (from q17 and q20)
- Gender
- Family situation (from question 49)
- Income in last year of repayment (from question 51a)



Completion Results

Among all eligible respondents contacted, the response rate was 17 percent. Response rate is calculated as the number of cooperative contacts (2,070) divided by the total of eligible numbers attempted (12,295). The final disposition of all telephone numbers dialed is shown below based on a format suggested by the Marketing Research and Intelligence Association in its *Standard Record of Contact Format*.

A. Total Numbers Attempted	16,655
Disconnected/Not in service	1,267
Fax/Modem	170
Cell Phone/Pager	86
Non-Residential Number	97
Wrong Number	2,268
Blocked Number	456
Duplicate	16
B. Eligible Numbers	12,295
Busy	305
Answering Machine	2,610
No Answer	1,021
Callbacks	2,146
Illness, Incapable	19
Language Problem	252
Qualified Not Available	860
C. Total Asked	5,082
Gatekeeper Refusal	579
Respondent Refusal	1,807
Mid Terminate/Hang up	538
Never Call List	88
D. Co-operative Contacts	2,070
Complete	1,203
Did Not Qualify	867



General Instructions:

Interviewer must read each set of instructions for each part of this questionnaire.
Interviewer must record all responses clearly and verbatim where required.
Interviewer must avoid paraphrasing or rewording responses.

Hello, may I please speak with _____? My name is _____ and I am calling from a public opinion research company called Corporate Research Associates. We are conducting a survey on behalf of Human Resources and Social Development Canada, formerly known as HRDC.

This survey examines topics related to student loan repayment and the Canada Student Loan Program, or CSLP. Your name was given to us by Human Resources and Social Development as someone who has had one or more Canada Student Loans in the last five to six years. When responding to my questions, include in your thinking the National Student Loan Service Centre. Please also note, while in the questions we may specifically mention Canada Student Loans, the questions also refer to the Ontario Student Loan Program, or OSAP, as well as the Canada-Saskatchewan Integrated Student Loan Program.

Your participation in this survey is voluntary and your acceptance or refusal to participate will not affect your dealings with the government. All information is collected under the authority of the applicable privacy laws and the Canadian Student Financial Assistance Act. All information you provide will be kept confidential. This survey is registered with the national survey registration system and should take about 15 minutes. All answers you provide will remain anonymous and you will not be identified in any reports resulting from this study.

RE-INTRODUCE IF NECESSARY. IF APPROPRIATE PERSON IS NOT AVAILABLE, ARRANGE A CALLBACK. IF RESPONDENT QUESTIONS VALIDITY OF THE SURVEY, OR HAS ANY QUESTIONS ABOUT THE SURVEY, THE PROGRAM, OR THE NATIONAL STUDENT LOAN SERVICE CENTRE, PLEASE ASK HIM/HER TO CALL RICHARD BOCZKOWSKI OF HRSD AT: 819-934-4052, OR HAVE RICHARD CALL RESPONDENT.

IF THE RESPONDENT SPECIFICALLY ASKS (DO NOT VOLUNTEER), GIVE HIM/HER THE 1-888-414-1336 TOLL FREE NUMBER, ALONG WITH THE CALL CENTRE'S OPERATING HOURS (BE SURE TO SPECIFY YOU ARE DIALLING FROM THE ATLANTIC TIME ZONE).

IF RESPONDENT ASKS HOW WE GOT HIS/HER NAME, INDICATE THAT IT WAS OBTAINED FROM A LIST OF PEOPLE PROVIDED BY HRSD WHO HAD OR HAVE CANADA STUDENT LOANS (OR NAME OF APPROPRIATE PROVINCIAL LOANS PROGRAM). WHEN THE ACRONYM IS USED FOR HUMAN RESOURCES AND SOCIAL DEVELOPMENT (HRSD), ENSURE THAT RESPONDENTS CLEARLY UNDERSTAND WHAT IS MEANT BY THIS TERM. REPEAT NAME IN FULL IF REQUIRED. IF NECESSARY, CLARIFY THAT THIS IS THE DEPARTMENT FORMERLY CALLED HRDC (HUMAN RESOURCES DEVELOPMENT CANADA).

Section I: Introduction**1. RECORD GENDER (UNLESS IN DOUBT, RECORD BY OBSERVATION):**

- 1 Male
- 2 Female

**2. In which official language would you prefer to be interviewed?
CODE ONE ONLY**

- 1 English
- 2 French

**3. According to the information we were given, you received a student loan under the Canada Student Loans Program within the last five to six years. Is that correct?
CODE ONE ONLY**

- 1 Yes **CONTINUE**
- 2 No **THANK, TERMINATE, AND RECORD**
- 8 Unsure **THANK, TERMINATE, AND RECORD**

**4a. We are looking to interview individuals who have completely repaid their student loan from the Canada Student Loans Program. Would that be your current situation?
CODE ONE ONLY**

- 1 Yes **SKIP TO Q.5**
- 2 No **CONTINUE**
- 8 Unsure **CONTINUE**

**4b. You are considered by the Canada Student Loan Program to have repaid your student loan if you completely re-paid it by converting, combining, or transferring the student loan debt into a bank loan, even if you have not yet entirely paid off that bank loan. Would that be your current situation?
CODE ONE ONLY**

- 1 Yes **CONTINUE**
- 2 No **THANK, TERMINATE, AND RECORD**
- 8 Unsure **THANK, TERMINATE, AND RECORD**

5. Moving along, to what extent was your Canada Student Loan important in your ability to fund your post-secondary education? Was it very important, somewhat important, not very important, or not at all important?

READ RESPONSES IN ORDER - CODE ONE ONLY

- 1 Very important
- 2 Somewhat important
- 3 Not very important, or
- 4 Not at all important

VOLUNTEERED

- 8 Don't know/No answer

6. Using the "10" point scale where "1" means "completely dissatisfied" and "10" means "completely satisfied," to what extent were you satisfied with the **Canada Student Loans Program**?

CODE ONE ONLY - PROBE TO AVOID ACCEPTING A RANGE

- 01 Completely dissatisfied
- 02
- 03
- 04
- 05
- 06
- 07
- 08
- 09
- 10 Completely satisfied

VOLUNTEERED

- 98 Don't know/No answer

7. And using the same "10" point scale, to what extent were you satisfied with the **Canada Student Loans Program's loan repayment process**?

CODE ONE ONLY - PROBE TO AVOID ACCEPTING A RANGE

- 01 Completely dissatisfied
- 02
- 03
- 04
- 05
- 06
- 07
- 08
- 09
- 10 Completely satisfied

VOLUNTEERED

- 98 Don't know/No answer

READ AND ROTATE QUESTIONS 8 AND 9

8. [And,] In your opinion, what, if anything, is the primary advantage of having a Canada Student Loan as a source of funding for your post-secondary education?

DO NOT READ RESPONSES - RECORD ONLY FIRST MENTION

- 01 Trustworthy
- 02 It's easy to pay back/good terms
- 03 Readily available
- 04 Everyone has one/well-known
- 05 Only available choice
- 06 Don't like bank/financial institution loans
- 07 I prefer to borrow from the government
- 08 Government/The Program offered me the amount of money I needed
- 09 Easy to apply
- 10 No interest during study
- 11 No payments during study
- 12 Six month grace period after study
- 13 Access to tax credit
- 97 None/No advantages
- 98 Don't know/No answer
- 99 Other (SPECIFY: _____)

9. [And,] In your opinion, what, if anything, is the primary disadvantage of having a Canada Student Loan as a source of funding for your post-secondary education?

DO NOT READ RESPONSES - RECORD ONLY FIRST MENTION

- 01 Not trustworthy
- 02 It's hard to pay back/poor terms
- 03 Not readily available
- 04 Poor communication with Program
- 05 Lack of personal services
- 06 Prefer bank/financial institution loans, but none were available
- 07 I prefer not to borrow from the government
- 08 The Program didn't offer me enough money
- 09 Hard to apply
- 10 Inflexible
- 11 High interest rate in repayment
- 12 Generally poor service
- 97 None/No disadvantages
- 98 Don't know/No answer
- 99 Other (SPECIFY: _____)

Section II: Location

- 10a. During the first six months after finishing the post-secondary studies for which you had a student loan, did you move more than 50 kilometres away from where you lived while in these studies?

CODE ONE ONLY

- 1 Yes
- 2 No
- 8 Don't know/No answer

- 10b. **[POSE Q.10b ONLY IF "YES" IN Q.10a]** When you moved during this six month period, did you move outside the province in which you lived during these post-secondary studies?

CODE ONE ONLY

- 1 Yes
- 2 No
- 8 Don't know/No answer

11. **[DO NOT POSE Q.11 IF "DON'T KNOW/NO ANSWER" IN Q.10a]** What is the single most important reason why you [moved more than 50 kilometres away from where you lived/did not move]? **PROBE:** Any other reasons?

DO NOT READ RESPONSES - CODE AS MANY AS APPLY - RECORD FIRST/SUBSEQUENT MENTIONS SEPARATELY

a. **Why "Yes" In Q.10a**

- 01 Better job/employment prospects there
- 02 To be close to family/friends/spouse/partner
- 03 Seeking a new experience/adventure
- 04 Always wanted to live/move there
- 05 Offered me the possibility of more quickly paying off my student loan
- 06 Liked the community/town/city I moved to
- 98 Don't know/No answer
- 99 Other (SPECIFY: _____)

b. **Why "No" In Q.10a**

- 01 Better job/employment prospects where I was living
- 02 Wanted to remain close to family/friends/spouse/partner
- 03 Was not seeking a new experience/adventure
- 04 Always wanted to live where I was living/Liked the community/city/town
- 05 Stayed home and saved money
- 98 Don't know/No answer
- 99 Other (SPECIFY: _____)

12. If you did not have a student loan to repay, would you have made a different decision about where you would settle?

CODE ONE ONLY

- 1 Yes
2 No
8 Don't know/No answer

Section III: Early Repayment Profile

13. *Moving along ...* You mentioned earlier that you have completely repaid your student loan from the Canada Student Loans Program. What would you say is the primary reason why you repaid your student loan in a shorter period than was required under the terms of your loan contract? **PROBE:** Any other reasons?

DO NOT READ RESPONSES - CODE AS MANY AS APPLY - RECORD FIRST/SUBSEQUENT MENTIONS SEPARATELY

- 01 Combined loans into a personal loan with a lower interest rate
02 Wind-fall/Extra money from a job signing bonus/graduation gift/other source
03 Psychologically, I don't like having debt
04 I don't like having to pay interest on debt
05 A friend/relative agreed to pay the loan for me
06 A friend/relative agreed to move the student loan into their line of credit or other kind of loan
07 Didn't realize that it was a shorter period
08 Everyone I know pays off quickly
09 Loan was small enough that it was no great effort to pay it off quickly
10 Parents helped me by letting me live at home rent-free
11 Grant or bursary provided to pay off most/all of loan
98 Don't know/No answer
99 Other (**SPECIFY:** _____)

14. At the time when you were paying off your student loan, did you have access to free or low-priced accommodations?

CODE ONE ONLY

- 1 Yes
2 No
8 Don't know/No answer

15. I am now going to read a series of statements, and I would like you to tell me whether you agree or disagree with each statement. [To begin/Next], do you completely agree, mostly agree, mostly disagree, or completely disagree that:

READ AND ROTATE STATEMENTS - CODE ONE ONLY PER STATEMENT

- a. You do not like to have any debt
- b. You did not want to pay the rate of interest charged by Canada Student Loans
- c. Banks and credit unions provide more flexible and more customized products to fit your needs and situation
- d. A better interest rate could be found elsewhere, beyond the Canada Student Loan Program
- e. Your student loan was small and could be paid off quickly
- f. You were able to get access to enough funds to pay off your student loan
- g. You don't like to owe money to government
- h. You made paying off your student loan a priority, ahead of other debts
- i. In some fashion, you had assistance from others when paying off your student loan

- 1 Completely agree
- 2 Mostly agree
- 3 Mostly disagree, or
- 4 Completely disagree

VOLUNTEERED

- 7 Not applicable
- 8 Don't know/No answer

Section IV: Financial Resources

16. What was the single most important financial resource you drew upon when repaying your student loan?

PROBE: And what other financial resources did you draw upon?

DO NOT READ RESPONSES - CODE AS MANY AS APPLY

- 01 Personal savings/earnings
- 02 Assistance from parents/family members
- 03 Assistance from friends
- 04 Lottery/gambling winnings
- 05 Transferred my student loan to a new loan with a bank
- 06 Combined my student loan with another loan I already had
- 07 Personal line of credit
- 08 Lived with parents/relatives/friends/partner rent-free
- 09 Frugal/cost-effective lifestyle
- 10 Investments
- 11 Inheritance
- 98 Don't know/No answer
- 99 Other (**SPECIFY:** _____)

17. This next question asks only about student loan debts you had. When repaying your student loan, did you convert all or part of it into a bank loan?

CODE ONE ONLY - READ RESPONSES ONLY IF NECESSARY

- 1 Yes, did convert
2 No, did not convert

VOLUNTEERED

- 8 Don't know/No answer

18. **[POSE Q.18 ONLY IF "YES, DID CONVERT" IN Q.17]** What is the single most important reason why you converted all or part of your Canada Student Loan debts into a bank loan? **PROBE:** Any other reasons?

DO NOT READ RESPONSES - CODE AS MANY AS APPLY - RECORD FIRST/SUBSEQUENT MENTIONS SEPARATELY

- 01 Better interest rate available
02 I could talk face-to-face with the bank/financial institution
03 Poor service from CSLP (**PROBE:** (19bb) In what way? **SPECIFY:** _____)
04 Preferred to have only one debt
05 Simpler/simplified my financial life
06 No penalty for early repayment
07 Greater flexibility with loan repayments (weekly, bi-weekly, etc.)
98 Don't know/No answer
99 Other (**SPECIFY:** _____)

19. **[POSE Q.19 ONLY IF "YES, DID CONVERT" IN Q.17]** How important, if at all, was the fact that you could sit down face-to-face with representatives from your local bank or financial institution, in your decision to convert all or part of your Canada Student Loan debts into a bank loan? Was it very important, somewhat important, not very important, or not at all important?

READ RESPONSES IN ORDER - CODE ONE ONLY

- 1 Very important
2 Somewhat important
3 Not very important, or
4 Not at all important

VOLUNTEERED

- 8 Don't know/No answer

20. When you repaid your student loan to government, did you combine it with other debts, perhaps such as car payments, a mortgage, or any other type of personal debt?

CODE ONE ONLY - READ RESPONSES ONLY IF NECESSARY

- 1 Yes, did combine
2 No, did not combine

VOLUNTEERED

- 7 Did not have other debts
8 Don't know/No answer

21. [POSE Q.21 ONLY IF "YES, DID COMBINE ..." IN Q.20] Was it your entire student loan that you combined with other debts, or just part of your student loan?

CODE ONE ONLY

- 1 Entire student loan
- 2 Part of student loan
- 8 Don't know/No answer

22. I am now again going to read a series of statements, this time concerning financial sources that may have been used at the time that you were paying off your student loan. I would like you to answer "yes" or "no" to each statement. [To begin/Next], "yes" or "no":

READ AND ROTATE STATEMENTS - CODE ONE ONLY PER STATEMENT

- a. You saved money over time and used all or part of this to pay off your student loan?
 - b. You found a job that allowed you to pay off your student loan quickly?
 - c. Your parents or guardians paid off the student loan for you?
 - d. Your parents or guardians transferred the loan to their bank account?
 - e. Your parents, guardians, spouse or partner otherwise helped you out financially?
 - f. Your parents, guardians, spouse or partner helped you out by giving you access to a vehicle, during the time when you were paying off your student loan?
 - g. Your spouse or partner paid off the student loan for you, or transferred the loan to their bank account?
 - h. You received an unexpected sum of money once you began repayment, from a source other than your parents or guardians?
 - i. You took out a personal line of credit from a bank or credit union to pay off the student loan?
 - j. You worked part-time during your studies to repay your debts as early as possible?
- 1 Yes
 - 2 No
 - 8 Don't know/No answer

Section V: Impact of the Interest Rate

23. As best as you can recall, at the time you began to repay your student loan, was the prevailing interest rate available to you for personal loans in the financial marketplace well above, slightly above, on par, slightly below, or well below the rate available from the Canada Student Loan Program?

CODE ONE ONLY

- 1 Well above
- 2 Slightly above
- 3 On par
- 4 Slightly below, or
- 5 Well below

VOLUNTEERED

- 7 It varied/changed
- 8 Don't know/No answer

24. At the time when you were repaying your student loan, to what extent, if at all, did you make efforts exploring the possibility of lower interest rate loan options available from other institutions, such as banks or other financial organizations? Using a scale from "1" to "10" in which "1" means "made no efforts at all," and "10" means "made a great deal of effort," to what extent did you make efforts exploring lower interest rate loans from other institutions?

CODE ONE ONLY

- 01 Made no efforts at all
- 02
- 03
- 04
- 05
- 06
- 07
- 08
- 09
- 10 Made a great deal of effort

VOLUNTEERED

- 98 Don't know/No answer

25. **[POSE Q.25 ONLY IF "SLIGHTLY BELOW" OR "WELL BELOW" IN Q.23]** As best as you can recall, at the time when you were repaying your student loan, by how many percentage points was the interest rate available to you in the financial marketplace below that of the Canada Student Loan Program rate?
RECORD TO, IF NECESSARY, UP TO TWO PLACES AFTER THE DECIMAL POINT - PROBE TO AVOID ACCEPTING A RANGE – READ THE ANSWER RECORDED BACK TO THE RESPONDENT, TO ENSURE S/HE AGREES

"Just to confirm, the financial marketplace rate was ____ percentage points below the Loan Program rate"

- 98 Don't know/No answer

26. **[POSE Q.26 ONLY IF "YES" IN Q.17 AND/OR Q.20, AND POSE Q.26 ONLY IF "SLIGHTLY BELOW" OR "WELL BELOW" IN Q.23]** You mentioned earlier that you combined or converted some or all of your student loans into a bank loan. At the time when you repaid your student loan, if the interest rate charged by the Canada Student Loan program were the same as the prevailing market rate, would you definitely, probably, probably not, or definitely not still have done that?

CODE ONE ONLY

- 1 Definitely
- 2 Probably
- 3 Probably not, or
- 4 Definitely not

VOLUNTEERED

- 8 Don't know/No answer

27. Now a question about loan repayment options. Which one of the following three options would you prefer, assuming you had a student loan at a prime plus 2.5 percent interest rate?

READ AND ROTATE OPTIONS - CODE ONE ONLY

01 A tax credit on interest paid

~ OR, WOULD YOU PREFER ~

02 Free insurance that would make payments on your loan for a limited period of time, in the event that you could not make the required payments

~ OR, WOULD YOU PREFER ~

03 A reduction of the loan's interest rate by 1.5 percent to prime plus 1 percent

VOLUNTEERED

97 Two or more equally (SPECIFY: _____)

98 Don't know/No answer

Section VI: CSLP Understanding

28. At the time when you first borrowed or took out your student loan, how familiar were you with the characteristics of your Canada Student Loan, such as the repayment schedule, grace period, interest rate charged, and so on? Were you very familiar, somewhat familiar, not very familiar, or not at all familiar?

READ RESPONSES IN ORDER - CODE ONE ONLY

1 Very familiar

2 Somewhat familiar

3 Not very familiar, or

4 Not at all familiar

VOLUNTEERED

8 Don't know/No answer

29. And when you began to repay your student loan, how familiar were you with the characteristics of your Canada Student Loan? Were you very familiar, somewhat familiar, not very familiar, or not at all familiar?

READ RESPONSES IN ORDER - CODE ONE ONLY

1 Very familiar

2 Somewhat familiar

3 Not very familiar, or

4 Not at all familiar

VOLUNTEERED

8 Don't know/No answer

READ AND ROTATE QUESTIONS (30-32), AND QUESTIONS (33-35)

30. [And,] At the time that you were repaying your student loan, were you aware that you could receive a tax credit on interest paid on your student loan?

CODE ONE ONLY

1 Yes, was aware

2 No, was not aware

8 Don't know/No answer

31. **[POSE Q.31 ONLY IF "YES, WAS AWARE" IN Q.30]** And, in paying off your student loan earlier than required or in transferring it to a private institution, did you know that you would no longer benefit from the tax credit on interest paid on your student loan?
CODE ONE ONLY
- 1 Yes, did know this
 - 2 No, did not know this
 - 8 Don't know/No answer
32. **[POSE Q.32 ONLY IF "NO, WAS NOT AWARE" IN Q.30, OR IF "NO, DID NOT KNOW THIS" IN Q.31]** If at the time you repaid your student loan, you had known that you would no longer be eligible to receive a tax credit on interest paid on outstanding student loan amounts, would you have paid off your student loan as early as you did?
READ RESPONSES ONLY IF NECESSARY - CODE ONE ONLY
- 1 Yes, would have paid off loan as early
 - 2 No, would not have paid off loan as early
- VOLUNTEERED**
- 8 Don't know/No answer
33. **[And,]** At the time when you were repaying your student loan, were you aware you had access to a form of free insurance whereby you would not be required to make principal and interest payments during a six-month period of time, in case your income was not sufficient to make payments? This option is called Interest Relief.
CODE ONE ONLY
- 1 Yes, was aware
 - 2 No, was not aware
 - 8 Don't know/No answer
34. **[POSE Q.34 ONLY IF "YES, WAS AWARE" IN Q.33]** And, in paying off your student loan earlier than required or in transferring it to a private institution, did you know that you would no longer be eligible for Interest Relief for this student loan?
CODE ONE ONLY
- 1 Yes, did know this
 - 2 No, did not know this
 - 8 Don't know/No answer
35. **[POSE Q.35 ONLY IF "NO, WAS NOT AWARE" IN Q.33, OR IF "NO, DID NOT KNOW THIS" IN Q.34]** If at the time you repaid your student loan, you had known that you would lose eligibility for the Interest Relief option, would you have paid off your student loan as early as you did?
READ RESPONSES ONLY IF NECESSARY - CODE ONE ONLY
- 1 Yes, would have paid off loan as early
 - 2 No, would not have paid off loan as early
- VOLUNTEERED**
- 8 Don't know/No answer

Section VII: Other Debt

36. Imagine for a moment that you have five different types of debt. If you could make an extra monthly payment, on which debt would this payment be on? (a.) Would you first make a monthly payment on your **[READ AND ROTATE DEBT TYPES]**? (b.) And would you next make a monthly payment on your **[READ AND ROTATE REMAINING DEBT TYPES]**? (c.) And would you next make a monthly payment on your **[READ AND ROTATE REMAINING DEBT TYPES]**? (d.) And would you next make a monthly payment on your **[READ AND ROTATE REMAINING DEBT TYPES]**?
RANK IMPORTANCE OF EACH DEBT TYPE – SKIP TO Q.37 AT FIRST MENTION OF “DON’T KNOW/NO ANSWER”

- ___ Student loan
- ___ Mortgage
- ___ Car loan
- ___ Personal loan or line of credit
- ___ Credit card
- 8 Don't know/No answer

37. Which of the following types of non-education related private debt did you have at the time you were paying off your Canada Student Loan?
READ AND ROTATE OPTIONS, EXCEPT ALWAYS POSE OPTION “e” LAST - CODE ONE ONLY PER OPTION

- a. Did you have a mortgage?
 - b. Did you have a personal loan or a line of credit from a bank or financial institution?
 - c. Did you have credit card debt?
 - d. Did you have a car loan?
 - e. Did you have any other type of non-education related private debt at that time?
- 1 Yes, did have that type of loan/debt
 - 2 No, did not have that type of loan/debt
 - 8 Don't know/No answer

38. **[POSE Q.38 ONLY IF "YES" IN AT LEAST ONE OF Q.37b-e]** What was the approximate total outstanding amount of non-education related private debt you had at the time you were paying off your Canada Student Loan? Please stop me when I reach the appropriate answer. Was the approximate amount: **READ RESPONSES IN ORDER - CODE ONE ONLY**

NOTE: IF "YES" IN Q.37a, PRECEDE QUESTION WITH: "Excluding mortgage debt..."

- 01 \$5,000 or less
- 02 Over \$5,000 up to \$10,000
- 03 Over \$10,000 up to \$20,000
- 04 Over \$20,000 up to \$30,000
- 05 Over \$30,000 up to \$40,000
- 06 Over \$40,000 up to \$50,000
- 07 Over \$50,000 up to \$60,000
- 08 Over \$60,000 up to \$70,000
- 09 Over \$70,000 up to \$80,000, or was the amount
- 10 \$80,000 or more

VOLUNTEERED

- 96 Had no other debt
- 97 Refused
- 98 Don't know/No answer

39. Which, if any, loans other than your Canada Student Loan did you have at any time to fund your post-secondary education? **PROBE:** Any others?

DO NOT READ RESPONSES - CODE ALL THAT APPLY

- 01 Provincial student loan
- 02 Personal loan from a bank or financial institution
- 03 Loans from family or friends
- 97 Did not have any other type of loan
- 98 Don't know/No answer
- 99 Other (**SPECIFY:** _____)

40. Approximately what was the total amount of all loans, including your Canada Student Loan, that you used to fund your post-secondary education? Please stop me when I reach the appropriate answer. Was the approximate total amount:

READ RESPONSES IN ORDER - CODE ONE ONLY

- 01 \$2,000 or less
- 02 Over \$2,000 up to \$5,000
- 03 Over \$5,000 up to \$10,000
- 04 Over \$10,000 up to \$20,000
- 05 Over \$20,000 up to \$30,000
- 06 Over \$30,000 up to \$40,000
- 07 Over \$40,000 up to \$50,000
- 08 Over \$50,000 up to \$60,000
- 09 Over \$60,000 up to \$70,000
- 10 Over \$70,000 up to \$80,000, or was it
- 11 \$80,000 or more

VOLUNTEERED

- 97 Refused
- 98 Don't know/No answer

41. [POSE Q.41 ONLY IF "YES ..." RESPONSE IN Q.17, AND/OR IF "YES ..." RESPONSE IN Q.20] You mentioned earlier that you converted or combined all or part of your Canada Student Loan debts into a bank loan. Approximately what was the total amount of student loans you converted or combined in this way? Please stop me when I reach the appropriate answer. Was the approximate total amount:
READ RESPONSES IN ORDER - CODE ONE ONLY

- 01 \$2,000 or less
- 02 Over \$2,000 up to \$5,000
- 03 Over \$5,000 up to \$10,000
- 04 Over \$10,000 up to \$20,000
- 05 Over \$20,000 up to \$30,000
- 06 Over \$30,000 up to \$40,000
- 07 Over \$40,000 up to \$50,000
- 08 Over \$50,000 up to \$60,000
- 09 Over \$60,000 up to \$70,000
- 10 Over \$70,000 up to \$80,000, or was it
- 11 \$80,000 or more

VOLUNTEERED

- 97 Refused
- 98 Don't know/No answer

Section VIII: Assessment and Improvements

42. Using a "1" to "10" scale where "1" means completely disagree and "10" means completely agree, to what extent do you agree or disagree with the following statement?
RECORD EXACT NUMBER - PROBE TO AVOID ACCEPTING A RANGE - REPEAT SCALE IF NECESSARY

The Canada Student Loan Program promotes quick repayment of student loans

- 01 Completely disagree
- 02
- 03
- 04
- 05
- 06
- 07
- 08
- 09
- 10 Completely agree

VOLUNTEERED

- 98 Don't know/No answer

43. And using the same "1" to "10" scale where "1" means completely disagree and "10" means completely agree, to what extent do you agree or disagree with the following statement?

RECORD EXACT NUMBER - PROBE TO AVOID ACCEPTING A RANGE - REPEAT SCALE IF NECESSARY

The Canada Student Loan Program is flexible in meeting the needs of students

01 Completely disagree

02

03

04

05

06

07

08

09

10 Completely agree

VOLUNTEERED

98 Don't know/No answer

44. All things considered, were you completely satisfied, mostly satisfied, mostly dissatisfied, or completely dissatisfied with the service you received from Canada Student Loan Program officials?

CODE ONE ONLY

1 Completely satisfied

2 Mostly satisfied

3 Mostly dissatisfied, or

4 Completely dissatisfied

VOLUNTEERED

8 Don't know/No answer

45. **[POSE Q.45 ONLY IF "MOSTLY DISSATISFIED" OR "COMPLETELY DISSATISFIED" IN Q.44]** What is the most important reason why you were dissatisfied with the service you received from Canada Student Loan officials? **PROBE:** Any other reasons?

DO NOT READ RESPONSES; CODE ALL THAT APPLY; RECORD FIRST/SUBSEQUENT MENTIONS SEPARATELY

01 Lacked face-to-face service/Impersonal/Just a number to them

02 Hard to get hold of

03 Didn't care about me as an individual

04 Kept sending things to the wrong address

05 Couldn't keep my loan details straight

06 Kept losing documents

98 Don't know/No answer

99 Other (**SPECIFY:** _____)

46. I am going to read four ways that have been suggested to improve the Canada Student Loan Program. I would like you to rank them from "1" to "4," with "1" being the most important thing that could be done to improve the Program, and "4" being the least important. a. [To begin/Next], in your opinion, is **[READ AND ROTATE STATEMENTS]** the most important? b. And in your opinion, is **[READ AND ROTATE STATEMENTS]** the second most important? c. And in your opinion, is **[READ AND ROTATE STATEMENTS]** the third most important?
RANK IMPORTANCE OF EACH STATEMENT - SKIP TO Q.47 AT FIRST MENTION OF "DON'T KNOW/NO ANSWER"

- ___ Lower interest rate
- ___ Having a completely interest free grace period, same as in-study
- ___ Better communication and coordination
- ___ Having more flexibility on repayment options

VOLUNTEERED

- 8 Don't know/No answer

Section IX: Classification

47. What is the highest level of education you have completed?
DO NOT READ RESPONSES - CODE ONE ONLY

- 01 Some high school
- 02 Graduated high school/vocational
- 03 Some community/technical college
- 04 Graduate community/technical college
- 05 Some university
- 06 Graduated university
- 07 Refused
- 99 Other (**SPECIFY:** _____)

48. How much time elapsed between when you finished your studies for which you had a student loan, and the point at which you completely repaid your loan?
RECORD RESPONSE IN WEEKS, MONTHS, AND/OR YEARS - FOR LESS THAN ONE WEEK, RECORD ONE WEEK

NUMBER OF WEEKS: _____

NUMBER OF MONTHS: _____

NUMBER OF YEARS: _____

- 97 Paid off loan prior to finishing studies
- 98 Don't know/No answer

49. And as best as you can recall, which one of the following best describes your family situation, at the time when you paid off your student loan? Were you:

READ RESPONSES IN ORDER - CODE ONE ONLY

- 01 Single
- 02 A single parent
- 03 Married, or common law, with children, or are you
- 04 Married, or common law, without children

VOLUNTEERED

- 97 Refused
- 99 Other (SPECIFY: _____)

50. And what was the total number of persons in your household when you paid off your student loan?

RECORD NUMBER

RECORD NUMBER: _____

- 97 Refused/No Answer

- 51a. Which of the following broad income categories best describes your total personal income, before taxes, in your last year of student loan repayment? Please do not include in this figure any money given to you by your parents or others. Please stop me when I read the appropriate response. Would it be:

READ RESPONSES IN ORDER - CODE ONE ONLY

- 01 \$5,000 or less
- 02 Over \$5,000 up to \$10,000
- 03 Over \$10,000 up to \$20,000
- 04 Over \$20,000 up to \$30,000
- 05 Over \$30,000 up to \$40,000
- 06 Over \$40,000 up to \$50,000
- 07 Over \$50,000 up to \$75,000
- 08 Over \$75,000 up to \$100,000, or was the amount
- 09 \$100,000 or more

VOLUNTEERED

- 97 Refused
- 98 Don't know/No answer

- 51b. In dollars, approximately how much, if any, financial assistance did you receive from your parents, family, spouse, or others in the last year of repaying your student loan? Please stop me when I read the appropriate response. Would it be:

READ RESPONSES IN ORDER - CODE ONE ONLY

- 01 No financial assistance
- 02 Or, would it be \$1,000 or less
- 02 Over \$1,000 up to \$2,000
- 03 Over \$2,000 up to \$3,000
- 04 Over \$3,000 up to \$4,000
- 05 Over \$4,000 up to \$5,000
- 06 Over \$5,000 up to \$6,000
- 07 Over \$6,000 up to \$10,000
- 08 Over \$10,000 up to \$15,000
- 09 Over \$15,000 up to \$20,000
- 10 Over \$20,000 up to \$30,000
- 11 Or, would it be more than \$30,000

VOLUNTEERED

- 97 Refused
- 98 Don't know/No answer

52. And which one of the following best describes your employment situation, at the time you paid off your student loan in total? Were you:

READ RESPONSES IN ORDER - CODE ONE ONLY

- 01 Not working at all
- 02 Working full-time as an employee
- 03 Working part-time as an employee
- 04 Working for a temporary-help agency
- 05 Working at a seasonal job
- ~ OR, ARE YOU ~
- 06 Self-employed because you owned your own business

VOLUNTEERED

- 97 Refused
- 99 Other (SPECIFY: _____)

53. **[POSE Q.53 ONLY IF CODES 02-06 IN Q.52]** In your opinion, would you say your current employment is directly related, indirectly related, or not related at all to your post-secondary primary field of study?

CODE ONE ONLY - IF RESPONDENT HAS MORE THAN ONE JOB, ASK HIM/HER TO ANSWER BASED UPON THE JOB THAT S/HE CONSIDERS THE PRIMARY EMPLOYMENT AT THIS TIME

- 1 Directly related
- 2 Indirectly related
- 3 Not related at all
- 7 No primary field of study
- 8 Don't know/No answer

54. How long after you finished your post-secondary education did it take you to find a paying job? Was it:
READ RESPONSES IN ORDER - CODE ONE ONLY

- 1 Before graduation
- 2 A month or less
- 3 More than 1 month, up to 6 months
- 4 More than 6 months, up to 1 year
- 5 More than 1 year

VOLUNTEERED

- 7 Have not worked for pay since finishing post-secondary education
- 8 Don't know/No answer

55. **[POSE Q.55 ONLY IF CODE 1 OR CODE 2 IN Q.53]** How long after you finished your post-secondary education did it take you to find a paying job that was related to your primary field of study? Was it:
READ RESPONSES IN ORDER - CODE ONE ONLY

- 1 Before graduation
- 2 A month or less
- 3 More than 1 month, up to 6 months
- 4 More than 6 months, up to 1 year
- 5 More than 1 year

VOLUNTEERED

- 8 Don't know/No answer

56. Did you successfully complete the post-secondary program funded by the Canada Student Loan Program?
CODE ONE ONLY

- 1 Yes, did complete the program
- 2 No, did not complete the program
- 3 Still in studies
- 8 Refused/No answer

Section X: Closing

57. And in closing, in your opinion, what is the most important thing that could be done to improve the **Canada Student Loan Program**? **PROBE:** Anything else?
RECORD VERBATIM

-
- 98 Don't know/No answer

READ TO ALL RESPONDENTS: "To obtain information related to this study, you may do so by submitting a written request to Human Resources and Social Development pursuant to the Access to Information Act. Instructions for making formal requests are provided in the publication **InfoSource**. This is located in local Service Canada Centres, and is available at the website address, <http://infosource.gc.ca>. When requesting information, please refer to the study name, which is **Canada Student Loans Program Early Repayment Research**."

Thank you for your participation in today's survey!

FINAL Moderator's Guide

December 11, 2006

Introduction & Warm-up:

10 minutes

- **Welcome** - Intro self, role as moderator;
- **Explain Purpose** – gather opinions and discuss your experiences regarding the student loan repayment process and options;
- **Explain sponsor** - we are conducting a study on behalf of the Department of Human Resources and Social Development Canada, also known as HRSDC, which is the federal government department responsible for the Canada Student Loans Program;
- **Explain process** – teleconference; audio taping; all opinions are important; important to understand agreement/disagreement; talk one at a time; no right/wrong answers; individual comments are confidential; no breaks; need no disruptions; name yourself prior to speaking;
- **Privacy** - As you know your participation in this discussion is completely voluntary and your acceptance or refusal to participate will not affect your relationship with HRSDC. The information you provide will be administered in accordance with the *Privacy Act* and other applicable privacy laws and will be reported in aggregate form only.
- **Introductions** - Participant introduction: ask them to introduce themselves: name, when they graduated, and from which educational institution.

Loan Options / CSLP

25 minutes

I would like to get your thought on student loans in general...

- **Choice** – Thinking back to when you were in post secondary education...What options were available to you to fund your education? Which ones did you use? Why those? Why not other sources?
- **Comparison** – Are there differences between a bank loan and a government student loan? If so, tell me about them? What are the benefits of each? The disadvantages? Do they both serve the same purpose?
- **Reasons for government debt** - Why did you decide to get a student loan from the Government? Were you the one managing your loan/debt or did someone else do that (e.g. parent, spouse, etc)?



Regarding the Canada Student Loan Program specifically...

- **Initial knowledge** - Thinking back to the time you borrowed from the Canada Student Loan Program. What, if anything, did you know about the Program? How did you find that out?
 - **Probe for:** repayment schedule; grace period; interest rate charged, tax benefit, debt assistance measures like IR.
 - **If not aware:** When did you find out about Program details, if before today? How so?

Repayment of Student Loans

50 minutes

Thinking about repaying your student loans...

- **Importance** – When you began repaying your Canada Student Loan, how important was it for you to completely pay off your loan in a short period of time? Why? Where does repaying student loans stand in importance versus other types of loans or purchases, such as car, mortgage, entertainment, etc?
- **Changing attitudes** - Has your attitude towards your loan changed over time? How so? Why? What impact did having a student loan have on your life? What about on other debts you might have?
- **Repayment period** –How long did it take you to completely repay your Canada Student Loan? Was that the initial term of your Canada Student Loan?
- **Reasons for early repayment** – Why did you decide to repay your loan in this time frame?
- **Barriers** – What might prevent individuals from repaying their student loan before term? Anything else?
- **Consideration** – What did you consider before deciding to pay off your student loan early?
 - **Benefits** – Are there benefits to repay early?
 - **Consequences** – What about the consequences to repay your loan before term? What are they? **Probe for awareness and appeal of:** Interest Relief; Debt Reduction in Repayment; eligibility of a tax credit on the interest portion of the loan payment.



- **Repayment method** – What loan repayment options were available to you? **Probe for:** personal income; help from friends/relatives; bank/credit union loan; debt consolidation. Which ones did you choose? Why those? Why not others?
 - **Advantages** – What are the advantages of each of those methods? Are there benefits associated with each? What about assistance measures or support mechanisms?
 - **Disadvantages** – What about the disadvantages of this method to repay your student loan? Do you lose any benefits?
 - **For consolidation, if not mentioned:** Do people who consolidated their student loan with other debts lose any benefits or access to assistance programs? **Probe for:** assistance measures to deal with financial difficulties later on; tax credit on interests paid on student loan.
 - **For those who consolidated:** By consolidating your debt, including your student loan, what is or was your new interest rate? How does it compare to the Canada Student Loan Program's interest rate?
- **Flexibility** – Are repayment options offered through the Canada Student Loan Program flexible to individual needs or is it more of a “one size fits all” approach? Why do you say that?
- **Comparison** – How do Student Loan repayment options compare to loans from a bank or credit union from the point of view of flexibility or service? **Probe for:** choice of options; interest rates; penalties for late/early repayment. Which one is most advantageous? Why? Which, if any, of these played an important part in your decision to repay quickly
- **Lower interest rate** – If the interest rate on your student loan was lowered to the same as private bank rates for student loans, would you have kept your loan rather than repaying early? Please explain why.
- **Incentives** – What would motivate people to repay their student loan quickly?
- **Suggestions for improvement** – Any additional suggestions you would like to provide to encourage early student loan repayment?

Thanks & Closure:

On behalf of Human Resources and Social Development Canada, thank you for your participation! As you know, we will send you a \$50 cheque by mail, in appreciation for your time tonight. Instructions on how to access the report from this study will also accompany the cheque.

